Investigating Social Commerce as an Alternate Model for Online Commerce in Developing Countries: a case of Pakistani Economy

Amina Talat
Assistant Professor, Lahore School of Economics, Lahore, Pakistan
E-mail: amina.talat.imran@gmail.com

Sana Azar (Corresponding Author)
Teaching Fellow, Lahore School of Economics, Lahore, Pakistan
E-mail: sanaazar@gmail.com

Muhammad Waqar Yousaf
Lahore School of Economics, Lahore, Pakistan

Abstract

The study is an empirical quantitative research. In light of intense literature review it proposes a new model for effectiveness of social commerce in Pakistan. It has three objectives. It firstly investigates the relationship between perceived risk, social networking focus, and perceived value effect trust. It secondly investigates the relationship between affective influence, word of mouth, affective influence, advertising influence, purchasing experience and viral reach on social commerce. Lastly it investigates how consumer value (adoption and purchase intention is affected by social commerce focus and trust. The software used is SPSS 15.0. Multiple regression equation has been employed to verify the hypotheses. Results show and validate the literature that positive or favorable views of users trigger positive attitude. However, there are two variables and dimensions that do not affect the attitude of users on social networks from the perspective of shopping i.e. social commerce; these are viral reach and previous purchasing experience on different websites. The results show that Pakistani users will welcome social commerce even if they have no previous experience for purchasing goods and services online.

Keywords: Affective influence, word of mouth, advertising influence, online purchasing experience, viral reach, social networking focus, facebook.

1. Introduction

Internet is one of the several channels or mediums for selling and buying goods and services online. Customers can use their credit card information on different websites and make online orders and the products are delivered to them instantly. This is called 'E-Commerce' or simply online shopping (Mazhar etal., 2012). Companies can enable their

websites to sell goods and services to their customers through this model of 'Online shopping'. However, this model did not gain popularity in Pakistan. This survey has been created to understand and investigate a substitute model for conventional online shopping in Pakistan. There are more than 10 million (1 Crore) users of Internet in Pakistan and this number is growing (Hasan and Fatima, 2012). A lot of Internet users use social networking websites such as Facebook, Twitter, Google + etc. These social networking websites can also provide "Online Stores/Websites" for companies and even individuals to sell their products and services. This model of online selling is known as 'Social Commerce' (Harris and Rae, 2009). For instance, a company can develop its website "within" Facebook and consumers can purchase goods and services by using their credit or debit (Visa) cards. This can bring a remarkable change to the 'Online Shopping' Model of Pakistan.

The question arises, "Why is there a need for any social commerce"? The answer to this question is many folds. As globalization matures, millions of people add up to the online population on daily basis that create an opportunistic market place for marketers and businesses (Stephen and Toubia, 2010). In addition to the globalization and available opportunities for businesses as well as entrepreneurs in the online market place governed by social networks, there is a huge opportunity for developing countries more specifically because of the e-commerce barriers those countries face (Lawrence and Tar, 2010). These barriers range from infrastructure such as technology to socio culture barriers, lack of governance and support by the state and some economic barriers (Lawrence and Tar, 2010). One of the most important factors is the poor 'Economic condition' of developing countries. While this is a barrier, it is also an opportunity. For instance, in the context of Pakistan where businesses (bricks and mortar) have shut due to power shortages, inflation and rising costs of oil and other commodities, social commerce can emerge as a blessing for many in the country. Similar studies and propositions have been made by researchers for other developing countries like Iran. For instance, in a study conducted by Bugshan et al., (2012), pre adoption model for electronic commerce was constructed that found out two most important variables that determine the 'online shopping' adoption at the consumer level i.e. "Organizational Readiness" and "Awareness Levels" among the consumers. The idea of social commerce seems to be very relevant for the Pakistani consumers because growing number of online users in Pakistan are adopting social networks like Facebook and Twitter. Hence, this creates a huge room for entrepreneurs as well as companies to effectively target them in a cost-effective and efficient manner.

1.1 Motivation and Rationale - Significance

As described earlier, the state of e-commerce in Pakistan is flimsy and unacceptable for both the organizations (from sales perspective) and from customers (trust and effectiveness). Pakistan's economy can benefit from e-commerce to a greater extent specifically in these turbulent times when the economy and financial indicators are slumping. The rationale and motivation for this research are briefly outlined below.

1. Extensive relevant research for social commerce business model has not been conducted anywhere in Pakistan. Although some studies have been published recently that focused on some aspects of social commerce with respect to Pakistani society but not many efforts have been invested to develop a business model with respect to social commerce.

2. Another important reason to conduct this research is that, as explained earlier, e-commerce in Pakistan has been failed to a large extent; mainly because of lack of technical expertise by the companies, will and efforts to sell online and consumer trust. Therefore an opportunity lies in social commerce as a large number of Pakistani Internet users regularly use social networking websites such as Facebook, Twitter and MySpace.

3. Social commerce as a means of online business have been successfully researched and implemented in developing countries like Iran, Bangladesh and Saudi Arabia. Therefore, opportunities lie within the context of Pakistan.

4. The economic factors such as unemployment, high business costs and inflation augment the facilitation and motivation for social commerce because this business model can let the individuals to become entrepreneurs and the companies to successfully sell their products and services online.

5. Social commerce business model can facilitate and empower companies to carry out brand out brand management, marketing, sales and customer support strategies by effectively adapting to the model.

6. Several Pakistani companies including Nestle, Coke, Pepsi, Telenor, Mobilink, Warid and many other clicks-and-clicks based companies like Olx, Tech-City, Homeshopping etc. are operating on social networking websites but most of their activities are limited to promotion and advertising that stem from brand building and reputation management. However, social commerce as a business model has not been adopted by the companies yet. Therefore it will be important to study these companies and their interest and organizational readiness in social commerce.

7. The use of plastic money on websites is totally scarce in Pakistan as neither company is interested in investing in technology nor the consumer is willing to make purchases. Social commerce powered tools can sort this matter out.

8. To conduct a full scaled study on the subject and lay down a road map for future research works in the area.

2. Literature Review

Before embarking on the analysis of social commerce and its implications for the Pakistani economy, it will be useful to analyze the existing state of research for social commerce and e-commerce in the Pakistani context. To conduct this analysis, it will be useful to analyze the said state at the beginning of online commerce in era with the current situation. Pakistan was ranked by The Economist intelligence unit at 57th number out of the total 60 countries with respect to e-readiness due to a number of reasons including lack of e-commerce strategy and policy at the government level, business culture, lack of appropriate infrastructure, Internet availability, consumer awareness, trust level and lack of support from the banking sector in addition to many other problems (Ahmad, 2003). It was analyzed and concluded that lack of initiatives and policy making both at the enterprise and government level was the most important reasons e-commerce was almost negligible in Pakistan as neither the companies were automated nor they had specialized departments and resources to strive for e-commerce (Ahmad, 2003). Overall, the research concluded that if Pakistan had to see any increase in its online commerce activity in real terms, companies will have to formulate relative strategies and policies to

acquire the infrastructure and invest accordingly (Ahmad, 2003). Another study conducted relatively recently by Yasin et al., (2011) examines the state and role of e-commerce in the Pakistani economy. According to the authors, the state of e-commerce in Pakistan is yet not well defined and is not implemented in its true essence because of the factors that were mostly prevailing 8-10 years ago such as trust, lack of legislation, organizational readiness, lack of interest by the government, lack of consumer awareness, lack of funding and motivation for smaller companies and even entrepreneurs, perceived lower costs for entry into e-commerce, high maintenance and running costs and status-quo strategists (Yasin et al., 2011). The authors state that the most celebrated and utilized role of e-commerce in Pakistan has been direct marketing as a its subset whereas e-commerce in its true essence has never been implemented in Pakistan at the national level (Yasin et al., 2011) Another important research have been recently conducted by (Mazhar, Jam, & Anwar, 2012) that determines the role of trust and word of mouth (WOM) as major drivers of e-commerce state in Pakistan. Authors state that if consumer trust is high, e-commerce will flourish and if consumers lack trust in websites, the online commerce activities will be squeezed to minimum (Mazhar et al., 2012). The independent or cause variables studies in the research that positively or negatively affect the trust and WOM are technical trustworthiness, user web experience, perceived quality and brand reputation and perceived risk (Mazhar et al., 2012). The results of the study show that perceived risk is the most important factor in determining the trust level of consumers and to generate positive WOM whereas perceived risk can be significantly reduced and enhanced if companies take necessary steps and measures to ensure the security, privacy and safety of the consumer information (Mazhar et al., 2012. Perceived site quality and user web experience are also related to the perceived risk as all these variables stem from the technical aspects of the website

A very critical and important study has recently been completed by Hasan and Fatima (2012) that determine the state of social commerce in Pakistan with respect to "woman entrepreneurship" and the vast opportunities social networking websites offer to Pakistani women. A survey was conducted by the researchers that studied 54 women entrepreneurs in Lahore, Karachi and Islamabad. The study found out that 98% of the women studied in the research were doing their business on Facebook while 2% had their business presence on Facebook and outside Facebook in the shape of an e-commerce website.

A comprehensive study has been conducted by Hajli (2012, a) to analyze the impact of social commerce on businesses and the 'intention of consumers' to buy and sell through social networking websites. The author proposed the 'Social Commerce Adoption Model' drawing on the components of social commerce that influence the intention and behavior of consumers (Hajli, 2012, a). Technology acceptance model (TAM) was used in the study with independent variables being trust (recommendations and referrals, forums and discussions and ratings and reviews) and perceived usefulness whereas the dependent variable was 'Intention to buy'. The results show that the independent variables of trust, perceived usefulness and forums and communities were statistically significant and the respective hypothesis statements were also accepted. However the independent variables of ratings and reviews and feedbacks were statistically significant for the participants from developed countries. The author concludes that social commerce is the future of e-commerce specifically in developing countries.

Koufaris (2002) carried out a research to validate the "Technology Acceptance Model" in addition to several other models and their supporting constructs and variables. The variables that are most important are shopping enjoyment, perceived control, planned and unplanned purchases, demographics, web skills, product involvement (product image, brand etc.), product visibility (search, access, referrals), challenges and perceived usefulness (Koufaris, 2002). The two dependent variables are unplanned and planned purchases and intention to return

Swamynathan et al., (2008) conducted a study to evaluate the role of social commerce components in improving online sales for the businesses. The study confirms that transactions carried out through social referrals result in higher user satisfaction and agreement as compared to the transactions carried out in isolation by many consumers

In another comprehensive study carried out by Saundage and Lee (2011), the social commerce activities of 74 Fortune 500 companies, including Bank of America, Starbucks, Delta Airlines, Walmart, Citigroup, American Airline etc., were analyzed by the researchers. The data used in the research is mostly qualitative in nature and "Qualitative Content Analysis (QualCA)" methodology was used to analyze the data (Saundage and Lee, 2011). The basic objective of the research was to establish a taxonomy of social commerce components as adopted by the businesses. The industries studied were traveling, food and retail and financial sector (Saundage and Lee, 2011). The results of the study show that most of the large companies utilize social media for pre and post transaction support and promotion activities such as marketing, promotion, customer service, queries and feedback and very few intent to adopt social media as a base for transactional services (Saundage and Lee, 2011). Therefore the themes identified by the authors with respect to social commerce and its adoption by businesses are termed as promotion, marketing, customer support, complaints, advertising and transactions (order taking, payment processing, delivery and order tracking (involving a shopping cart within Facebook)

Hajli (2012, b) carried out a comprehensive research that proposed an integrated approach for businesses to sell online through their websites as well as social media presence combined. The research, based on the integrated models – Technology acceptance model and social commerce adoption model, proposed 9 constructs to build the research on. These constructs comprised of "Learning and Training, User Experience, Social Presence, Familiarity, Social commerce components (ratings, reviews, feedback, shares, likes, comments), Perceived Usefulness, Perceived Ease of Use and Trust (Hajli, 2012, b). The study concludes that when it comes to shopping on social commerce platforms such as Facebook, trust is the most important factor and that can be enhanced by effectively utilizing the social commerce components such as ratings and reviews, feedback system and referrals in addition to perceived ease of use and brand of the company (Hajli, 2012, b).

Qu et al., (2012) carried out a study to analyze the impact of social commerce and related activities on the performance of businesses. The measurements included in the study comprised of 'number of transactions and sales' (as dependent variable) and incoming suggestions, outgoing suggestions, ratings, reviews and feedbacks as independent variables (Qu et al., 2012). The study was carried out on a Chinese online social networking website called Taobao. The results show that the independent variables, incoming and outgoing suggestions as well as advices, have statistically positive impact

on the sales and revenue of the products (Qu et al., 2012). One of the major limitations identified by the authors for the social commerce paradigm is that theoretical grounds for social commerce are still rare and more research efforts need to be poured in to effectively render the social commerce context in favor of businesses and specially online retailers (Qu et al., 2012).

Another important study conducted by Jothi et al., (2011) that focused on determining the effectiveness of the communication strategy to develop brand awareness and strength of on social networking websites such as Facebook. Authors suggest that social networks offer better and more interactive advertising opportunities to companies and claim that social networks will be the primary advertising and marketing tool for companies in near future (Jothi, Neelamalar, & Prasad, 2011). Primary focus of effective brand communication strategy, according to the study, is the quality of advertising and communication messages stemming from the company for a particular brand because the ads are primary tools that develop brand awareness (Jothi et al., 2011). It is suggested that companies develop tools like ad exposure, accessibility and impact on consumer's cognition and decision (Jothi et al., 2011) .

Quilliam et al., (2012) carried out a comprehensive research and review on the subject of social commerce and the relevant models and techniques that augment buying and selling on the social networks. The four factors that the research covers comprise of emotional appeal (of a particular message/share by the friends and family), the number of likes a particular share/post has, the number of shares which is known as viral reach and the effectiveness of the advertisements from which a particular post stem (Quilliam et al., 2012). The study comprised of 365 participants and a questionnaire measure the above four parameters was distributed to the participants. The two most promising and significant factors that were concluded by the research were the effectiveness of ads i.e. the triggers of generating trust among consumers for a particular post and secondly the viral sharing intentions i.e. how willing are the users to share a particular purchase on a social networking website.

According to (Chu, 2011), viral advertising is a phenomenon in which users participate actively without being paid and pass on the referrals and recommendations to groups they are subscribed to or to the friends on their respective lists – if the contents of the message is worth sharing. Another important concept developed by (Chu, 2011) is the concept of 'self-disclosure' that is the tendency of users to disclose to others what they think of a particular post or product and this tendency is much more higher in a social networking environment and specifically in a group setting rather than in an isolated or individual mode (Chu, 2011). The study further zeroes in on Facebook regarding viral advertising and self-disclosure (contributor of word of mouth) and conducted a questionnaire based study to reveal the Facebook drivers of viral advertising and self-disclosure (Chu, 2011). The results found that self-disclosure and viral advertising prospects are statistically and significantly greater on the most popular social networking website i.e. Facebook in a group setting as compared to an individual mode (Chu, 2011). Backing the claims by numbers, 68% of the companies use Facebook for direct selling which is selling directly to consumers without a specific physical retail channel or outlet (Ferrell & Ferrell, 2012). The second most popular channel is YouTube followed by Twitter (Ferrell & Ferrell, 2012).

Any system that is intended for the general public use must be easy to use and understand because if users perceive any system as complex and difficult in the beginning, they will soon lose their interest and stop using the system (Chismar & Patton, 2002). This term is known as perceived usefulness which in return determines the intention to use the system as described above whereas certain factors such as the image, relevance, quality, experience and responsiveness of the system determine the level of use of use and perceived usefulness (Chismar & Patton, 2002). This phenomenon is further explained by WU et al., (2008) where two important terms are coined i.e. perceived ease of use and perceived usefulness that determine the attitude of any user towards using a particular system. This attitude forms the basis for users' behavior about using the system and eventually.

3. Research Aim and Objectives

The aim of this research is stated as: "To investigate social commerce model as an alternate online buying and selling, brand communication and advertising model in the context of Pakistan". This aim is further expanded as:

To investigate social commerce as an alternate to e-commerce by determining the relationships between social commerce focus (advertising influence, brand influence, word of mouth, purchasing experience, affective influence, viral reach), trust (perceived value, perceived risk, social networking focus) and intention to adopt social commerce in Pakistan.

The basic purpose of the research is to establish the relationship and effect of *consumer value* on the *acceptance and adoption of social commerce*; to finally develop the proposed social commerce business model.

The objectives of this research are stated as:

1. To research the customer value for social commerce (Trust, perceived usefulness, skills, experience, intention to use plastic money, effects of referrals, rating reviews, feedbacks, shares)

2. To research the effectiveness of advertising on social networking websites on consumer's perceptions and decisions to make a purchase

3. To research which social networking components are most effective in determining user's decisions and intention to make a purchase (ratings, reviews, likes, advertisements, comments)

4. To research the availability of technology and tools by the websites to build online stores and which tools are perceived as useful by the companies

5. To develop a comprehensive 'Social Commerce Business Model' by integrating secondary and primary data findings and to develop a road map for future research works.

4. Theoretical Framework

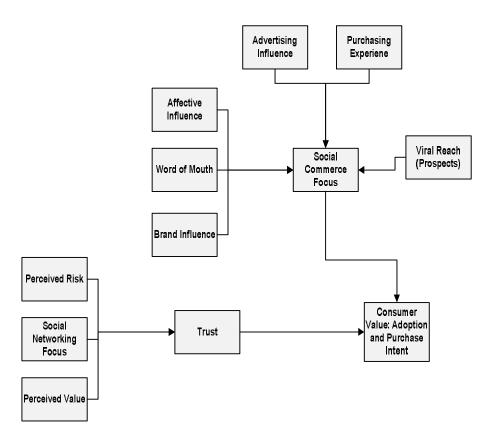The theoretical framework for the research is presented in the figure 1.

Figure 1: Research Model – Theoretical Framework

4.1 Variables and Questionnaire Matrix

The Components of research model are briefly explained in Table 1.

Table 1: Constitutive and Operative Definition of Variables

Variables	Definition	Related Questions	References
Trust	Research shows that consumer trust is one of the main variables to adopt any business model. Trust in social commerce is stemmed from perceived risk, social networking focus and perceived value.	11-12-13	(Mazhar et al., 2012) (Hajli,2012, b) (Hajli, 2012, a) (Koufaris, 2002) (Pavlou, 2003) (Lawrence & Tar, 2010) (Bugshan, Hajli and Kalantari (2012)

Social Commerce Focus (SCF)	SCF is actually the attitude of users towards social commerce based on certain factors such as word of mouth, affective influence, brand value, ad value, purchasing experience etc. Research shows that attitude towards social commerce is determined by the above factors.	35-36	(Hajli, 2012, a) (Saundage and Lee, 2011) (Swamynathanet al., 2008) (Qu et al., 2012) (Yasin, Rehman and Akram (2011) (Hasan and Fatima, 2012) (Zeng et al., 2009)
Social Commerce Acceptance (Purchase Intent)	This variable measures the exact intent of consumers to purchase on social networks using plastic money. Purchase intent is a major variable in many researches that is determined by various variables but trust and attitude are considered for this research.	37-38	(Zeng et al., 2009) (Cretu & Brodie, 2007) (Rad & Benyoucef, 2011) (Stephen & Toubia, 2010) (Hasan & Fatima, 2012)
Social Networking Focus (SNF)	Research shows that perceived ease of use user control are major drivers to determine the attitude and behavior of users towards a particular system. SNF is actually the integration of the 'usage' variables found in various versions of Technology acceptance model.	5-6-7-8-9-10	(Lee et al., 2011) (Curty & Zhang, 2011) (Gandadharbatla, 2008) Hajli et al., (2012a) (Koufaris, 2002)
Perceived Risk	When it comes to use a particular system where user information/data will be stored and there is some social aspect, the users' perceived risk determines the major contributor to the trust variable.	3-4	(Rad & Benyoucef, 2011) (Gandadharbatla, 2008) (Pavlou, 2003) (Mazhar et al., 2012)
Perceived Value	Research shows that perceived value of a system determines users' trust in that system. Perceived value is often substituted with the term perceived usefulness which is the users' perception about the	1-2	(Lee, Shi, Cheung, Lim, & Sia, 2011) (Chismar & Patton, 2002) (WU et al., 2008) (Mazhar et al., 2012)

	useful value of a system to their lives or expectations.		
Word of Mouth	In social networking environments, word of mouth is the total value of comments, reviews and feedback given by users for a particular post, product, share etc.	14-15-16-17	(Chu, 2011) (Gregurec et al., 2011) (Bond, 2010)
Advertising Influence	Selling on social networks is triggered majorly by the ads on the networks that drive user's attentions. The advertising influence determines how users perceive and view the ads on social networks i.e. Facebook in this case.	28-29-30-31	(Zeng et al., 2009) (Neti, 2011) (Nielsen et al., 2007) (Nielsen et al., 2012) (Jothi et al., 2011)
Affective Influence	This variable measures the extent to which users value the importance of referrals, friend's comments, their shares and Likes (on Facebook) and what they purchase (which they disclose obviously)	18-19-20-21-22	(Chu, 2011) (Gregurec et al., 2011) (Rad & Benyoucef, 2011) (Bond, 2010)
Brand Influence	This variable measures the level of trust and belief users have in brands and brand communication messages on social networks. This is one of the major drivers of positive attitude towards social commerce.	26-27	(Chu, 2011) (Cretu & Brodie, 2007) (Jothi et al., 2011) (Bond, 2010)
Purchasing Experience	Research shows that having experience with a system or phenomenon previously, in any form, enhances the attitude of users in that system.	32-33-34	(Bond, 2010)
Viral Reach Prospects	In order to determine the success of any social commerce initiative, it will be important to know the intentions and plans of users to disclose and share what they are purchasing on the website.	23-24-25	(Ferrell & Ferrell, 2012) (Chu, 2011) (Bond, 2010)

4.2 Hypothesis Statements

The hypotheses for the research are stated in this section. References for relevant variables (dependent and independent) and their justifications are provided in the previous table.

> *Hypothesis 1: There is a significant positive relationship between perceived value and trust*
>
> *Hypothesis 2: There is a significant negative relationship between perceived risk and trust. Higher the level of perceived risk lowers the risk.*
>
> *Hypothesis 3: There is a significant positive relationship between social network focus and trust.*
>
> *Hypothesis 4: There is a significant positive relationship between word of mouth, brand influence and social commerce focus.*
>
> *Hypothesis 5: There is a significant positive relationship between affective influence and social commerce focus.*
>
> *Hypothesis 6: There is a significant positive relationship between social commerce focus and viral reach.*
>
> *Hypothesis 7: There is a significant positive relationship between brand influence and social commerce focus.*
>
> *Hypothesis 8: There is a significant positive relationship between advertising influence and social commerce focus.*
>
> *Hypothesis 9: There is a significant positive relationship between purchasing experience and social commerce focus.*
>
> *Hypothesis 10: There is a significant positive relationship between trust and purchase intent.*
>
> *Hypothesis 11: There is a significant positive relationship between social commerce and purchase intent.*

5. Research Methodology

This section of the proposal presents the research methodology comprising of the secondary and primary data and what instruments will be used to collect the data.

5.1 Consumer Value Analysis – Survey Questionnaire

The data was collected using questionnaire based from 100 Pakistani consumers and users of social networking websites such as Facebook. This data targets the variables such as perceived usefulness, knowledge, trust, intent to use plastic money and so on. The survey also focuses on the consumer acceptance and perception of existing websites, pages and stores on Facebook and how they perceive the brands, advertising and promotion on the social media. A questionnaire, based on the literature review, is present in the appendix section.

After the questionnaires were filled and returned they were coded in SPSS 15.0. Since the sample size was larger than 50, Kolmogorov-Smirnov test was run. Value of Skewness and Kurtosis were both between -1 and +1(0.65 and 0.73 respectively), hence we can assume the data to be normal.

5.2 Reliability and Validity

The items loaded with a factor loading greater than 0.4 and the composite reliability (CR) was greater than 0.7. All factors showed convergent validity as the Average Variance Extracted (AVE) for each factor was greater than 0.4. The discriminant validity for each factor was also greater than 0.6 (Table 2).

Table 2: Confirmatory Factor Analysis

Varable	Composite Reliability	AVE	Discriminant Validity
Trust	0.757	0.438	0.662
Social Commerce Focus	0.688	0.421	0.664
Social Commerce Acceptance	0.721	0.433	0.659
Social Networking Focus	0.886	0.420	0.656
Perceived Risk	0.735	0.434	0.644
Perceived Value	0.746	0.431	0.621
Word of Mouth	0.878	0.438	0.666
Advertising Influence	0.888	0.454	0.673
Affective Influence	0.821	0.411	0.621
Brand Influence	0.733	0.427	0.669
Purchase Experience	0.788	0.434	0.615
Viral Reach	0.791	0.441	0.639

6. Results

6.1 Trust

The 'Trust' variable as shown in the research model is driven by three factors of perceived value, risk and social networking focus (SNF). SNF is the aggregation of existing concepts from the technology acceptance model that includes ease of use, user control and complexity of the system. The users are supposed to be in a specific framework or environment to use the social commerce systems. Therefore, the idea of SNF has been developed. Table 3 provides results of the relationship between Trust and perceived value, risk and SNF.

The value of R square of 0.931 shows that 93.1% of change in the trust variable is explained by the independent variables i.e. the perceived value, risk and SNF. This is quite a high explanation of the trust variable as demonstrated in many other research models such as technology acceptance model etc and therefore validates the theory behind the variables' relationships.

Table 3: Impact of Social Networking Focus, Risk and Perceived Value on Trust

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	Sig
Social Networking Focus (SNF)	.101	.007				
Risk	.686	.000				
Perceived Value	.268	.000	0.931	0.929	431.9	.000
Dependent Variable: Trust						

Results show the existence and strength of the relations between the variables. It can be observed from that a strong relationship exist between trust and perceived value, risk and social networking focus. The significance value of 0.007 for SNF is lower than the p value of 0.05 implying that SNF is significantly related to trust. The unstandardized beta coefficient of 0.686 for the risk variable show that trust is mostly driven by the lower risk or more favorable score for the risk. In light of the above results, the hypotheses for the relationships are explained below.

Hypothesis 1 is accepted as the significance value is 0.000 whereas the beta coefficients are also positive for the relationship. Hence, trust is positively explained by perceived value.

Hypothesis 2: Trust and risk (low) have a positive relationship with each other. The significance value of 0.000 and the high beta coefficient of 0.686 show high positive relationship between low risk (as the risk score is favorable towards low risk) and high trust.

Hypothesis 3: Trust and social networking focus (SNF) are positively related to each other. As explained earlier, social networking focus is actually the ease of use and user control. The results show that trust and SNF are positively related to each other which means the more users are used to social networks, the more the trust level is.

6.2 Social Commerce Focus (SCF)

Social commerce focus (SCF) is basically the measurement of attitude of users towards social commerce. The questionnaire included two questions (37 and 38) that measured this attitude whereas the attitude is driven (as found in most of the research works) by certain variables such as brand influence, affective influence, word of mouth, advertising and purchasing experience. Table 4 shows the results. 84.4% of change in SCF is explained by word of mouth, affective influence, brand influence, viral reach, ad value and purchasing experience.

Table 4: Impact of Word of Mouth, Affective Influence, Brand Influence, Viral Reach, ad Value and Purchase Experience on Social Commerce Focus

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	Sig
Word of mouth	.298	.002				
Affective influence	.185	.008				
Viral Reach	.132	.168				
Brand influence	.220	.000				
Advertisement Value	.390	.000	.844	.834	83.9	.000
Purchase experience	.039	.219				
Dependent Variable: Social Commerce Focus (SCF)						

Hypothesis 4: Social commerce focus and word of mouth have a positive relationship.

With a significance level of 0.002 (which is less than p-value of 0.05) and beta of 0.298 – it can be concluded that SCF and word of mouth have positive relationship and hence the hypothesis holds true.

Hypothesis 5: Social commerce focus and affective influence are positively related to each other. Affective influence is the penetration of a certain product or link such as on Facebook, this is referred to the number of likes and shares, who performed the likes and shares and how the users are affected by them. The significance level of 0.008 with a beta of 0.185 shows that a positive relationship exists between SCF and affective influence.

Hypothesis 6: Social commerce and viral reach are positive related to each other. The significance value of 0.168 is greater than the p value of 0.05 that shows that both variables are not related hence the hypothesis is rejected.

Hypothesis 7: Social commerce focus (attitude) and brand influence are positively related to each other. The significance value of 0.000 and with a beta of 0.220 shows that both variables are positively related to each other hence the hypothesis holds true.

Hypothesis 8: Social commerce focus (attitude) and ad value are positively related to each other. Social networks are all about reaching out to millions of people through advertisements therefore it was important to gauge the effects of ads with the social commerce focus. The Significance value of 0.000 and a beta of 0.390 shows that both variables are positively and strongly related to each other, it can also be observed from the results that attitude towards social commerce is highly influenced by how users perceive and use the advertisements on the social networks.

Hypothesis 9: Social commerce focus (attitude) and purchasing experience are positively related to each other. With a significance level of 0.219, the hypothesis is rejected which shows that it is not necessary for the social networkers to have prior purchasing experience to adopt the social commerce paradigm.

6.3 Purchase Intent

As hypothesized in the research, consumers' purchase intent in a social commerce setup are influenced by the level of trust they have built with the paradigm and the attitude

towards the same. Therefore it was necessary to measure these relationships. The following SPSS table shows how much change in purchase intent is explained by the trust and social commerce focus (SCF) variables combined.

Table 5: Impact of Trust and Social Commerce on Purchase Intent

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	Sig
Trust	.385	.000				
Social commerce	.679	.000	.552	.543	91.2	.000
Dependent Variable: Purchase intent						

The table 5 shows that 55.2% of change in purchase intent is explained by social commerce focus and trust.

Hypothesis 10: Purchase intent is positively related to the trust variable. The significant value of 0.000 and t value of 4.760 along with beta of 0.385 shows that trust and purchase intent are positively related to each other, hence the hypothesis holds true.

Hypothesis 11: Purchase intent and social commerce focus (attitude) are positively related to each other. The significance level is lower than the p value of 0.05 along with a high t value of 7.209 and beta of 0.679 shows a positive relationship between the two variables.

6.4 Removing Bias and Purchase Intent

The questionnaire measured the trust and attitude (social commerce focus) variables through sets of independent questions. There is a possibility of bias in responses because the independent variables such as perceived value, risk and social networking focus (for trust) may have different explanation while actual answers to the relevant questions may show a deviation. Therefore, to remove this bias, the trust and attitude (social commerce focus) can be considered as constructs in the following manner.

1. Trust Construct -> {Perceived Value, Risk, Social Networking Focus}

2. Social Commerce Focus (Attitude) -> {Word of Mouth, Affective Influence, Brand Influence, Ad Value, Viral Reach, Purchasing Experience}

With the above constructs, their relationships with the purchase intent variable are explained in the table 6. As compared to 55.2% of explanation, the trust and attitude constructs explain 45.3% change in purchase intent which can be said to be free of bias. Even with bias removed from the results, hypothesis 10 and 11 hold true as significance levels of 0.000 shows a positive relationships between purchase intent with trust, and purchase intent with attitude (social commerce focus).

Table 6: Impact of Trust and Focus on Purchase Intent

Independent Variable	Unstandardized Coefficients	p-value	R^2	Adjusted R^2	F	Sig
Average Trust	.351	.000				
Average Focus	.826	.000	.453	.442	84.23	.000
Dependent Variable: Purchase intent						

7. Conclusion

Internet is a useful medium for buying goods and services online. Customers can use their credit card information on different websites and make online orders and the products are delivered to you right away. This is called 'E-Commerce' or simply online shopping. Companies can make their websites to sell goods and services to their customers through this model of 'Online shopping'. However, this model is not much successful in Pakistan for some reasons. There are more than 10 million (1 Crore) users of Internet in Pakistan and this number is growing. A lot of Internet users use social networking websites such as Facebook, Twitter, Google + etc. These social networking websites can also provide "Online Stores/Websites" for companies and even individuals to sell their products and services. For instance, a company can develop its website "within" Facebook and consumers can purchase goods and services by using their credit or debit (Visa) cards. This can bring a remarkable change to the 'Online Shopping' Model of Pakistan. Therefore this research was carried out to understand and investigate a substitute model for conventional online shopping in Pakistan. Before concluding the research and presenting the recommendations and analysis for future endeavors on the topic, the analysis hypothesis in light of the results is presented below.

Consumers in Pakistan, specifically the online social networkers will definitely prefer the social commerce model provided that certain conditions for their adoption of the model are met by the companies willing to join the framework. We have seen from the literature review that any technology that is intended for public use can only be successful if they are easy to use and/or if users of that system have mastered the dynamics over a period of time. This research measured this dimension i.e. ease-of-use or user control under the definition of the 'Social networking Focus' variable. According to the most technology acceptance models, high level of user control and easiness establishes trust between the users and a particular system. This research unveiled that consumers in Pakistan who use social networks, such as Facebook, are quite comfortable with the system and they have high level of user control and freedom i.e. high social networking focus that establishes trust between them and the social networks. This establishment of trust by this one variable can be perceived as the basic building block of the entire social commerce system in Pakistan. The second finding of this research is that users perceive social networks such as Facebook and Twitter as less risky as compared to online websites or shops because if they are using the social networks, have added their friends and have uploaded their photos, this means that they have already established a level of trust with

the system and therefore their perceptions of risk with respect to Facebook are relatively low. Therefore we can say that users have low level of risk and therefore another important hypothesis and literature evidence is validated here. The third variable that establishes trust between users and Facebook is the perceived value variable. It can be inferred from the findings of the research that users perceive Facebook as a high value venue for shopping, getting important information and useful. Most of the technology acceptance models as reviewed in the literature justify that to achieve high value of trust, users must perceive high value for a particular system. In this research, trust is an important variable that is depending on three variables and all three variables have strong positive relationships with the level of trust.

The second important dimension of this research was to establish the 'Social commerce focus' which is actually the attitude of users towards buying goods and services through Facebook (the company selected for this research). The social commerce focus variable depends on multiple factors as evident from the literature. To have a high positive attitude, users must understand and acknowledge the forces behind the creation of that positive attitude. First of all, word of mouth (initially Likes and Shares variable) is an important tool to justify any system, product or service. Results show and validate the literature that positive or favorable views of users trigger positive attitude and this was validated through linear regression. The second important aspect of attitude is the perception about advertising that drive their attention towards specific pages and websites. Results show that users have high value for advertisements on Facebook that in return, results in positive attitude that was confirmed by the linear regression model. However, there are two variables and dimensions that do not affect the attitude of users on social networks from the perspective of shopping i.e. social commerce, these are viral reach and previous purchasing experience on different websites. The results show that Pakistani users will welcome social commerce even if they have no previous experience for purchasing goods and services online. Secondly, they are not affected by the viral reach and my not do so in return. Finally users have high perceptions and expectations from brands on social networks. This shows that users will trust the level of authenticity of a product before even thinking of buying it which is determined by the nature and level of brands.

There are many drivers and dimensions of consumers' purchase intents as found in the literature. The two most important drivers, dependent variables, adopted in this research model were trust and attitude to determine the independent variable of purchase intent. The results show that users have high level of trust in social networks that drive them to upload their pictures and do social networking on the same systems. The attitude and trust dimensions were measured individually i.e. through survey questions as well as were determined or calculated as averages of the results of their sub-constructs or contributing variables. The results show that there positive and strong relationships exist between purchase intent and trust and purchase intent and attitude.

8. Future Research

The research was initially based on two dimensions i.e. the consumer value and the business value and two questionnaires were prepared to measure the specific dimensions. However due to the limitation of time, the business value was dropped and focus was shifted to consumer value dimension only. However, the research is believed to be a landmark work in the context of Pakistani society that has been struggling with online

commerce for more than a decade now. Social commerce is a remarkable opportunity for the Pakistani economy in its turbulent times to benefit from the tools and technologies. In addition to contribution in the existing body of knowledge, there are some recommendations for the future research work in the subject area that are briefly recommended as follows.

1. This research can be and should be used as the baseline for future works because it not only develops a social commerce model for the Pakistani context but also is comprehensive in a way that it comprises of several drivers/variables that could be isolated from the model and worked on independently.

2. The business dimension/organizational readiness was initially planned to be studied for Pakistani companies doing or willing to do business on social networks such as Facebook. It is recommended for future works that the business value be worked on with variables such as Return on investment, advertising investments and their returns, acceptance among the companies, online brand/reputation management initiatives etc.

3. Another important dimension to be incorporated in the model is the willingness and readiness index of Pakistani banks and financial institutions to play their critical and important part in the entire transaction with respect to social commerce.

4. It will also be a useful idea to study the existing pages of Pakistani companies (maintained by them) on Facebook and analyze their usefulness with the help of practical testing and questionnaires.

5. Last, but not the least, it is recommended to include as many business variables and dimensions such as technical readiness, supply chain and logistics variable, etc. in the research model.

REFRENCES

Ahmad, N. (2003). Capacity Constraints on E-Commerce in Pakistan. *Journal of Science Vision , 8* (4), 113-117.

Bond, C. (2010). Engagement with Social Media and Outcomes for Brands: A Conceptual Framework. *ANZMAC* (pp. 1-9). Melbourne: Monash University.

Bugshan, H., Hajli, M., and Kalantari, A. (2012). E-Commerce Pre-Adoption Model For Smes In Developing Countries. Proceedings of the 2012 International Conference on e-Learning, e-Business, Enterprise Information Systems, and e-Government, (pp. 1-8). Las Vegas, United States.

Chismar, W., and Patton, S. (2002). Test of the Technology Acceptance Model for the Internet in Pediatrics. *AMIA* (pp. 155-159). AMIA, 2002.

Chu, S. (2011). Viral Advertising in Social Media: Participation in Facebook Groups and Responses Among College Aged Users. *Journal of Interactive Advertising , 12* (1), 30-43.

Cretu, A., and Brodie, R. (2007). The influence of brand image and company reputation where manufacturers market to small firms: A Customer Value Perspective. *Industrial Marketing Management , 36* (1), 230-240.

Curty, R., and Zhang, P. (2011). *Social Commerce: Looking Back and Forward. ASIST 2011.* New Orleans.

Ferrell, L., and Ferrell, O. C. (2012). Redirecting direct Selling: High-touch embraces high-tech. *Business horizons*, 55(3), 271-281.

Gandadharbatla, H. (2008). Facebook ME: Collective Self-Esteem, Need to Belong, And Internet Self Efficacy As Predictors of The IGENERATION's Attitudes Towards Social Networking Sites. *Journal of Interactive Advertising , 8* (2), 5-15.

Gregurec, I., Tomas, B., and Coric, A. (2011). Word of Mouth Marketing within Social Networking Sites. Proceedings of the 22nd Central European Conference on Information and Intelligent Systems (pp. 227-233). Varazdin: Faculty of Organization and informatics Varazdin.

Hajli, M. (2012,b). An Integrated Model for E-commerce Adoption at the Customer Level with the Impact of Social Commerce. I*nternational Journal of Information Science and Management* (IJISM), 77-97.

Hajli, M. (2012,a). *Social Commerce Adoption Model*. Proceedings of the UK Academy of Information Systems Conference. Oxford: AIS.

Harris, L., and rae, A. (2009). Social networks: the future of marketing for small business. *Journal Of Business Strategy , 30* (5), 24-31.

Hasan, S. S., and Fatima, E. (2012). Social Networking Websites: Conduit For Women Entrepreneurs in Pakistan. *International Journal of Computing and Corporate Research , 2* (5).

Jothi, P., Neelamalar, M., and Prasad, S. (2011). Analysis of Social Networking Sites: A Study on effective communication strategy in developing brand communication. *Journal of Media and Communication Studies , 3* (7), 234-242.

Klue, D. (2008). Falling in Love 2.0: Relationship marketing for the Facebook generation. *Journal of Direct, Data and Digital Marketing Practice , 9* (3), 245-250.

Koufaris, M. (2002). Applying the Technology Acceptance Model and Flow Theory to Online Consumer Behavior. *Journal of Information Systems Research , 13* (2), 205-223.

Lawrence, J., and Tar, U. (2010). Barriers to ecommerce in developing countries. *Journal of Information, Society and Justice , 3* (1), 23-35.

Lee, M., Shi, N., Cheung, C., Lim, K., and Sia, C. (2011). Consumer's decision to shop online: The moderating role of positive informational social influence. *Journal of Information and Management , 48* (1), 185-191.

Mazhar, F., Jam, F. A., and Anwar, F. (2012). Consumer trust in e-commerce: A study of consumer perceptions in Pakistan. *Journal of Business Management , 6* (7), 2516-2528.

Neti, S. (2011). Social Media and its Role in Marketing. *International Journal of Enterprise Computing and Business Systems , 1* (2), 1-16.

Nielsen. (2012). *Global Trust in Advertising and Brand Messages.* The Nielsen Company.

Nielsen. (2012). *Trust in Advertising and Brand Messages.* Nielsen Featured Insight,.

Pavlou, P. (2003). Consumer Acceptance of Electronic Commerce: Integrating Trust and Risk with the Technology Acceptance Model. *International Journal of Electronic Commerce , 7* (3), 69-103.

Qu, Z., Wang, Y., Wang, S., and Zhang, Y. (2012). Implications of Online Social Activities for E-Tailers' Business Performance. *European Journal of Marketing, 47(8), 1190-1212* .

Quilliam, t., McAlister, A., and Alhabash, S. (2012). Between "Likes" and "Shares": Effects of Emotional Appeal and Virality of Social Marketing Messages on Facebook. *International Social Marketing Conference (ISM)*. Brisbane: Department of Marketing Griffith Business School Griffity University.

Rad, A., and Benyoucef, M. (2011). A Model for Understanding Social Commerce. *Journal of Information Systems Applied Research , 4* (2), 4-12.

Saundage, D., and Lee, C. (2011). Social Commerce Activities – a taxonomy. *22nd* Australasian Conference on Information Systems A taxonomy of Social Commerce activities. Sydney,Australia.

Stephen, A., and Toubia, O. (2010). Deriving Value from Social Commerce Networks. *Journal of Marketing Research ,* 47 (2), 1-61.

Swamynathan, G., Wilson, C., Boe, B., Almeroth, K., and Zhao, B. (2008). Do Social Networks Improve e-Commerce? A Study on Social Marketplaces. Proceedings of the first workshop on Online social networks, (pp. 1-6). New York,USA.

WU, J., Shen, W., Lin, L., Greenes, R., and Bates, D. (2008). Testing the technology acceptance model for evaluating healthcare professional's intentions to use an adverse event reporting. *International Journal for Quality in health Care ,* 20 (2), 123-129.

Yasin, G., Rehman, Z. U., and Akram, M. (2011). Rationales of E-commerce in Direct Marketing: A Pragmatic Approach from Pakistan's Perspective. *International Journal of Applied Science and Technology , 1* (4), 97-101.

Zeng, F., Huang, L., and Dou, W. (2009). Social Factors In User Perceptions And Responses To Advertising In Online Social Networking Communities. *Journal of Interactive Advertising , 10* (1), 1-13.

Zeng, F., Huang, L., and Dou, W. (2009). Social Factors In User Perceptions And Responses To Advertising In Online Social Networking Communities. *Journal of Interactive Advertising , 10* (1), 1-13.