

Study on the Impact of Network Interactivity on Purchase Intention in the Social Media Era

Xuan Zhou

Chuanyuan Dong

School of Management
Shanghai University of Engineering Science
Shanghai
China

Abstract

The emergence and evolution of social media brings profound impact to people's lifestyles and even ways of thinking. Based on theories of TAM and by reviewing a body of relevant literatures, this paper analyzed how Network interaction in social media affects consumers' purchase intention from four aspects: the place that the interactivity takes place, the content, the interactive features and the participants. The purpose of this article is to preliminarily build up a theoretical model for further research on the relevant theme, and promote more efficient marketing activities by using social media. On the other hand, consumers can also be benefited by understanding more about their shopping model so that they could be more rationale.

Keywords: social media, interactivity, purchase intention

1. Introduction

Since 2008, social media (social media) has not only become a hot topic in the Internet, but has also raised high concern in the academic community. Along with its development, social media in the Internet penetration rate continues to improve, which ranked among the top ten websites in the world, there are five social media, such as Facebook and Twitter. Global monthly active Facebook users has exceeded 800 million, equivalent to the global scale 12%, Twitter on the number of users has exceeded 500 million, behind only Facebook, became the world's second-largest social networking site. Around the world, social media get involved in people's daily life, from social entertainment features evolved for Internet based applications, business transformation and also profoundly changed people's life style.

In China, the social media development is in full swing. Netpop research institution's recent study indicated that 92% (close to 224 million) of mainland Chinese Internet users use some form of social media. China not only has the world's largest Internet user population, and Chinese netizens has been very active in online content production and consumption. Chinese Internet users spend most of their leisure time in the "social networking" and relevant online social activities. Social media is not just used for entertainment in the form of the Chinese people, and also influence the purchasing decisions of consumers. China Internet Network Information Center (CNNIC) said in the 24th statistical report on Internet development, 48% of respondents said over television, they tend to obtain information from internet. The penetration of the social media on the lives of Internet users is extremely powerful.

2. New Features and Trend of Social Media

2.1 Social Media Applications Take over a Rising Proportion of People's Time

Content aggregator MyLife recently found that 51% social network users login/access to social networking sites more frequently than two years ago, 27% users refreshed their social networks immediately after they woke up ; 35% respondents on average per day reading/replying to personal messages on social networks or at least putting on 31 minutes, 42% respondents have multiple social networking accounts, among whom the 18-34 age group account for 61% per cent(Chart1).

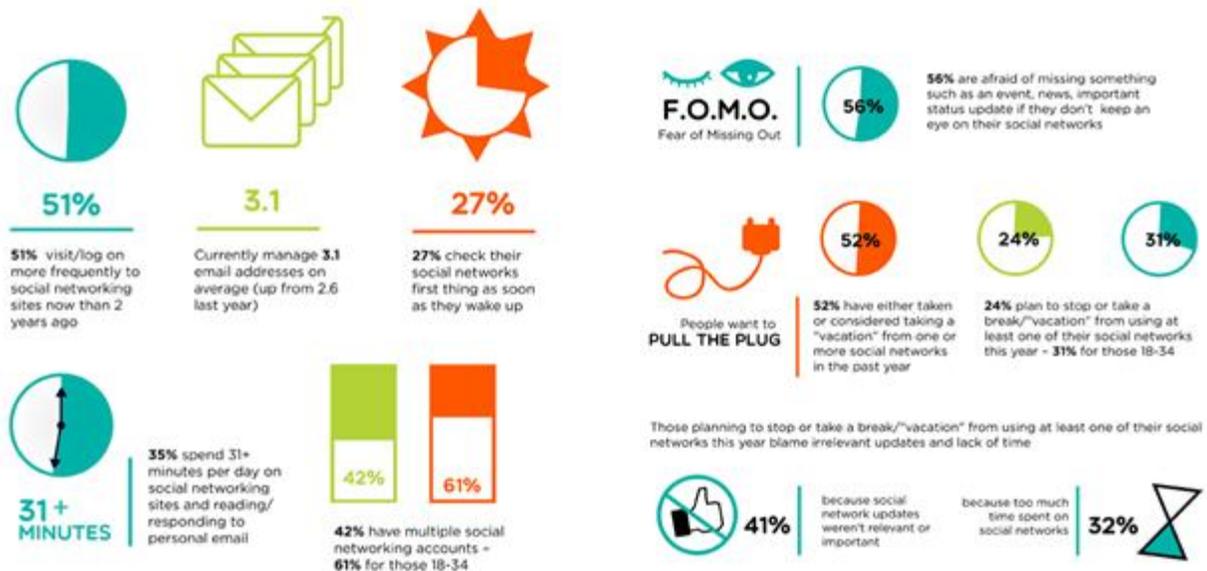


Chart 1 Social Networkers Are Overwhelmed by Social Media, Data source: MyLife

2.2 User-Centered Design

Personal media is one of the core ideas of Web2.0; allowing users to create information instead of passively accept information, network connection of decentralized, individualized interaction and social networking. In Web 2.0, content production is no longer a professional proprietary, instead, each individual can produce content as a link, and to develop or maintain their social networks. Compared with former virtual communities, social networking is based on the real-world relationships, social platform and the real relationships in the network integration. Open social networks through more independent user experience, reduces the uncertainty of interpersonal communication in the network, improve the efficiency of network interaction.

2.3 More Marketing-Related

World's largest digital consumer research Global Web Index released a top ten global Smartphone app rankings, Google Maps ranked first with 54% market shares, followed by Facebook, YouTube, and Google +, WeChat ranked fifth, with a usage of 27%. Whether it is to obtain information or communicate with others, most people can find something that meets their needs in a social network. The characteristic of social networking is all-inclusive, it embrace different people and circles, which is consistent with the human commonalities. It is this universality, all users of the public enterprises can be social marketing social networks, different brand settled in to open their own public website home page, media and content across social networks for their own import flows, and so on. Such behavior is in the use of social networks for social features to the generic goal of getting more users, social networks can give these businesses or Web sites offer a rich, comprehensive, public user group, but these features, Facebook, Twitter, micro, micro-blogging, and many other social networks of universal value.

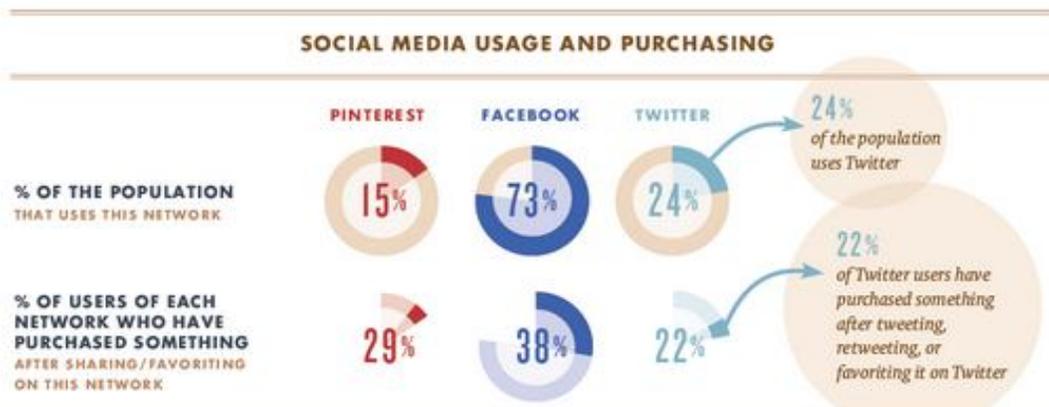


Chart 2 Social Media Usage and Purchasing, Data source: visioncritical

After share or favor some brands on Facebook, Twitter or Pinterest, four-tenths users buy goods online or in the shop, half shopping behaviors associated with social networking usage happened after the user share or love the brand one week after; social media for online shopping and online shops to buy nearly as much(Chart2).

2.4 More Convenient Platform along with More Active Online Social Interaction

As intelligent terminals enjoy its popularity in the Chinese market and mobile phone application thrive in its variety, smart phones now has penetrate in every aspects of people's lives, and it has become one of the primary means of accessing the Internet. Data from a renowned consulting institution, iiMediaResearch, shows that the number of mobile phone users in China has exceeded 500 million at the second quarter of 2013. In China, the scale of smart-phone users has exceeded 400 million. Such a large number of smartphone users are the cornerstone of mobile socialization of the Internet participatory development. The mobilization of mobile users' behavior enables the mobile QQ, WeChat, and micro-blogging becomes products with great development potential in the age of mobile Internet.

The speedy growth of mobile social networking market promotes the socialization of mobile Internet sharing. iiMediaResearch's data also shows that in terms of active accounts of 2013 Q1, QQ has 825 million per month, an increase of 9.8%, while Tencent micro-blog accounts for 603 million, an increase of 5.9%. Tencent's micro-blog reached 81 million monthly active accounts. As of 2013, Q1, total registered users of Sina micro-blog reached 536 million, and daily active users reached 49.8 million, of which 76.5% daily active users are from mobile phone. In China, the social communication platform-sharing users grow stable and the number of active users is huge (Chart3).



Chart 3 the Scale and the Growth rate of Mobile Netizens in China

2.5 Social Media Has Evolved into a Comprehensive Platform of Daily Life

With the vigorous development of application software, social media has more function than what it had as merely a social tools but is now everyone's vital access to information, important channel for handling money, shopping, paying bills and learning online, etc., what's more, it is actually becoming a platform of real life that integrate work, study and leisure.

3. How Interactivity Affect Online Purchasing Intent-Four Dimensions of Online Interactivity

3.1 Place

3.1.1 Market Positioning

An empirical experiment conducted by Hemandes and Fresneda found that community members' awareness of the virtual community's main goal and specialty and the existence of a climate of trust are the most important three community success factors (Hemandes & Fresneda, 2003, 25-28).

Porter proposed that purposes, sites and platforms are key attributes of virtual communities, among which the purpose means the goals and intentions of building the community; site is a reflection of a space that formed by the values, a sense of belonging and understanding hold by members of the community; platform is to stress the technology foundation of interaction in a virtual community (Porter, 2004, 57-61). Providing users with services and information could not keep users' loyalty, only to create a good interaction environment to users can serve that purpose (Haihua Xiang and Zhihong Shen, 2004, 472-474). The community goal and orientation and community organizations are all factors influencing the success of a virtual community. In 2009, a consulting group, iResearch, made an investigation on China's leading community Web sites and found out that information professionalism (39.6%) and community atmosphere (13.9%) ranked first and third respectively in the most valued factors that can attract users' attention to online communities. Only when locate accurately and correctly, a virtual community can attract more members who share the same interests (Preece, 2000, 23-25). When a social business platform has accurate positioning, it is more likely to attract Web users with common interest, and endow platform users a stronger sense of belonging and a high degree of trust.

3.1.2 Technical Assurance

Website quality includes a Website's stability, privacy, security, reliability, ease of access, response time and flexibility. In fact, quality is an important factor affecting the use of technology. When users encounter difficulties like response delay or frequent disconnection when browsing a Website, they were not willing to continue to use the Website. Reliable technology, prompt network response and community stability played an important role in making a successful community. Technical stability and security is very important for a community Web site, and it needs to provide users with timely and accurate information (Leimeister & Krcmar, 2004, 89-92). Infrastructure is very important factor to the success of the virtual community. At the same time, for online shopping, network quality is one of the key factors.

Website design reflects the attention and input of platform operators to the users, and it is a signal of the commitment to users. Usually networks interactive navigation responsiveness, technical indicators including upload and download rates, site features, ease of use, and so on. On the Internet, users usually had a lot of problems, such as navigation, unreasonable slow page response, server crashes, and so on, which greatly affects users of Internet interaction. When social business platform is able to provide a stable operation, the interface is beautiful, functional, easy to navigate, interactive place for users, in platform, the users will be able to better interact with other users, thereby increasing dependency on social business platform and trust of users.

3.1.3 Influence

The influence of the recommendations community reflects the current individuals' perception consistency of the products or services, and the concentration of different individuals. Consumers are going to weigh the opinion leaders to recommend products, if the majority of opinion leaders tend to recommend the same products; the consumers' trust in the product can be increased. If experts' confirmed recommendations are very high, the cost of personal decision making can be lowered. In socialized e-commerce, the widely used of a large number of social media tools has enhanced platform interactivity between users. For example, if one share information via Twitter, the others will see how many times this product information have been shared and its user ratings. In large of socialization e-commerce websites, consumers' operation on evaluation of a merchandise also became simple and convenient, they can directly click buttons of "praise", and "like", and "praise" under the merchandises' pictures.

3.2 Content

3.2.1 Specification

The more complete, the more specified the information is. Crisply transactions the definition of the community specification from two explanations: first, it reflects information that contains product properties in detail, followed by details reflect the degree of detail of a property being described. More detailed information can reflect the recommended objects had the same experience, consumers are choosing at the time, would choose to believe there is a similar purchasing experience as reference, detailed information will give consumers more confidence. Detailed information can also impact on consumer purchase intention. Complete product information for incomplete product information, enhances consumers' subjective understanding of the product. Empirical studies have found that posted by information detail of positive effect information receiver and posted by the kind of social interaction, social interaction embodied in a community of this kind on the loyalty and purchasing.

3.2.2 Visual Clues or Links

Communication convincing theory divided factors affecting communication effectiveness into three categories: sources of information, information itself and the recipient. Information includes the form, number and content of the information itself. As social media tools become more powerful, information in the form of diversified and lively, not only with text, video, and pictures and other forms, as well as, goods and/or services to show how content is presented is livelier, trying to stand out in a wide variety of product information to attract consumer attention. The Visual cues to provide consumers with comprehensive information, Visual information, can reduce the level of consumers' suspicions about the product or service, thereby affecting their purchase intention. Network information have an important feature that is fun, interesting network information is appealing, will have profound impact on recipient which would affect effective communication, consumers are willing to spread, mean he is willing to bear the consequences of the spread, which shows that consumers feel that this information is true, and can bring benefits to others (Chen Q Rodgers, 2006, 47-64).

3.3 Feature

3.3.1 Publicity

Social networks exposed on the network as public places play an important role in the process of young people understand the society. Similarly, the social network concept of openness will affect young people's social awareness and attitudes, as well as consumer sentiment and behavior. Openness makes it specific to social networking combines traditional blogs, BBS, in various forms, such as email, while adding a variety of utility, inheriting traditional network advantages at the same time, also has formed its own characteristics of ecosystem of network culture to construct an open integrated service platform based on user demand. Users in the use of social networks at the same time greatly facilitate its information search behavior, because users can use RSS subscription feature to keep track of information of interest, every time there is new information, the user will be received for the first time. Similarly, the social network as a platform for a public service will have significant impact on visitor attitudes and buying intentions.

3.3.2 Conversational

Widespread dialogue in Internet forums and interactive form of Word of mouth communication, breaking the boundaries of time, space, and information dissemination, and allows consumers anywhere, anytime to gain more consumers' description of their own experience, thereby affecting their confidence and purchase intent. Social networks also have properties and functions of virtual communities and Internet forums, and social network of dialogue will also have a significant impact on visitors' intent to buy. The impact of virtual interactions on consumer behavior and concluded that Internet interaction can significantly influence consumers' purchase intentions. Dialogue due to social networking features and characteristics of interaction in virtual communities have certain similarities, this study suggests that social networks dialog characteristics may also affect the user's intent to buy. Users can get information through dialogue in the social network. Users finding and identifying information in a social networking system, this way of getting information focus on the user gets information from whom, and with whom to share information.

3.3.3 Independence

According to Media System Dependency Theory (MSDT), the level that social systems theory in social systems, media systems and audiences are interdependent, and the interdependence would increase in a period when the society undergoing tremendous changes. Media System Dependency Theory relies on the assumption that the more conflicts and changes exist in the social environment, the more uncertainty the individuals perceive. Uncertainty contributed to the search for information, to perceive what is happening in the world. Media system has a wealth of information, which is a indispensable resource for formal information-gathering activities. When consumers' media usage increases, the evaluations of its credibility also increase. An empirical research on the factors of Internet word of mouth communication that affect reliance on consumer platform and network of consumer reputation trust is related.

3.4 Participants

3.4.1 Professional Competence

The presenter's professional capacity was equal to his ability to provide correct information for other information recipients (Bristol, 1990, 51-83).

For ordinary consumers, because they do not have complete product information and, therefore, are under conditions of lack of purchasing experience, and they tend to adopt the products recommended by experts. Studies have shown that the higher the level of expertise of the expert, more consumers will take the initiative to search for information, ask for help. If the opinion leader has a wealth of experience in purchasing or has the knowledge in some field of goods, consumers to purchase the goods or services will have less uncertainty. Thus, the professional information recipients can significantly affect the ability of distrust.

Many studies attest to professional competence will increase consumer purchase intention. In his empirical research, Gilly discovered the professional competence of an opinion leader in word of mouth can significantly affect people's trust in the information, thus enhancing the purchase intention (Gilly, 1998, 83-100). Bansal's study also showed that, when the reputation of the dissemination of information is of high professional ability, consumers will favor their views which will ultimately affects consumers' buying decision (Bansal, 2000, 166-177). As consumers rely on expert product knowledge, professional experts will have a significant impact on consumers' purchase decisions.

3.4.2 Social Status

Status represents one's fame in an organization or society, such as social status, public familiarity. Especially in the consumer purchase process, social status has been proved to be an important factor. In communities, high status and community membership implies a wealth of experience in using of a number of products, so they can provide trustworthy information, and this information in return will enable these senior members in the community to enjoy further prestige and popularity. As opposed to ordinary members of the community, members of high status and have greater social participation, higher exposure rate and higher economic status, they situate at the heart of their community. Senior members on the impact ordinary members of the larger community high status people more responsible for their words, too, at the same time, members of the community to send more information on the status of information will be more focused, think higher of which send information to help reduce the uncertainty of buying products or services.

In short, members with high status in the community generally have a higher socio-economic status, and have a wider social network. They have unique perspectives and a wealth of experience. They are competent to provide views to the other members and influence purchasing behavior of other members. The higher the social status, the more significant impact they can do onto other members. Meanwhile, in Social e-commerce, people with high status in the community may has followers of a certain size in the real world are, which make their recommended information more reliable to other consumers so that he or she can to some extent form a celebrity endorsement effect, and able to win the trust of consumers, so as to promote other members; buying decision.

3.4.3 Relation Intimacy

There is an important difference between Online WOM (Word of Mouth) and traditional WOM which is the intensity of communication and social relations between the two sides. Regarding the definition of strength, Brown describes the strength of a relation as a natural connection between consumers which vary from a very strong degree to very weak. Some scholars defined it as the intimacy the recipient information perceived between them and the information disseminator. Some experts categorized relation into strong ties and weak ties. If the relationship is strong ties that linking social networks, then references will provide information for different decision makers. If it is a weak link, then decision makers may adopt the information that come from outside social network. Effects of different intensity can result in different behavior. Many studies have shown that the effect of high strength is better than that of weak relationship strength. If the tie between information presenter and recipient is strong, then the recipients will be more likely to accept the recommended information. If policy makers have some common with referees, they will place more credit to the referee's information on a product or service (Gilly, 1998, 83-100). The communication relationship strength can decide the amount of recommended information. Stronger relationship will bring about more unreservedly willingness of referees to express their personal opinions on network members, and members will find this information in the network is just and trustworthy and selfless.

4. Conclusions

This paper explores the social network interaction on consumer purchase intention. Social networks hold great opportunity, whether it's online or offline provides an ideal information channels and distribution channels of goods, in order to win in the fierce competition, one must know how consumers are affected by social media. And the article provide an in-depth research on consumer social media interaction and how best to use social networks provide a powerful reference resource.

References

- Bristol. Enhanced explanations of word-of-mouth communications: The power of relationships [J]. *Research in Consumer Behavior*. 17(4), 1990: 51-83.
- Bansal H. S, Voyer P. A. Word-of-mouth processes within a services purchase decision context [J]. *Journal of Service Research* .3(2). 2000: 166-177.
- Chen Q, Rodgers S. Development of instrument to measure web site personality. *Journal of Interactive advertising* [J]. 7(1), 2006:47-64.
- Gilly M.C.,Graham J .A Dyadic Study of Interpersonal Information Search [J]. *Journal of Academy of Marketing Science*. 26(2), 1998: 83-100.
- Hemandes, C. A., & Fresneda, P. S. Main critical success factors for the establishment and operation of virtual communities of practice[C]. 3rd. European Knowledge Management Summer School, San Sebastian,, Spain, 2003.
- Haihua Xiang, Zhihong Shen. Knowledge sharing in virtual community activities to bring e-commerce opportunities [J]. *Theory and Practice of Intelligence*, 2004, VOL 5,472-474.
- Leimeister, J. M.,Sidiras, P.,& Krcmar, H. Success factors of virtual communities from the perspective of members and operators; an empirical study[C], *Proceedings of the 37thHawaii International Conference on System Sciences*, 2004.
- Preece, J. *Online communities: designing usability, supporting sociability: Supporting Sociability, Designing Usability* [M]. Chichester: John Wiley & Sons, 2000.
- Porter, C. E. A typology of virtual communities: a multi-disciplinary foundation for future research [J]. *Journal of Computer-Mediated Communication*, 2004, 10(1).