

## **SOCIAL PRESENCE INFLUENCE ON PURCHASE BEHAVIOUR – A THEORETICAL GO THROUGH**

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### **Abstract**

*Social presence is the ability to use technology for communication to create and foster a relationship. It is a sense of community which helps to reduce stress and the sense of loneliness. Though this paper we are giving an insight to the social presence concept in a consumers purchase behaviour perspective. Mainly the most relevant factors we have found through intense literature survey are incorporated. Independent variable i.e. Social presence related factors such as Social interaction, Social media usage, Trust, reference, reviews and relationships in social media platforms and its relations with dependent variable i.e. Purchase behaviour factors such as product comparison, purchase intention and purchase and repurchase decision are evaluated. The result found shows a very high positive association.*

**Key words:** Social Presence, Social media usage, Social media interaction, trust purchase intention, product comparison, purchase and repurchase decision.

### **Introduction**

Social Presence Theory was developed by social psychologists John\_Short, Ederyn\_Williams, and Bruce\_Christie, co-authors of the 1976 book *The Social Psychology of Telecommunications*, where they defined Social Presence Theory as the ability communication media have to transmit social cues. The theory arose from noticing the differences in apparent physical proximity inherent in using various communications media.

Social presence

“Social presence presumes the outcome of an interaction to be determined by the capacity of the selected medium to support the type of communication required”

Social presence is the “sense of being with another”

Social presence concept in marketing

Social presence theory in marketing informs how marketers approach aspects of online marketing and how customers view online business transactions. The marketing phase of social presence always concentrates on customer side rather than other aspects of marketing. But the social presence concept of marketing is based on consumption and post purchase behaviour of a customer. Social presence is conceptualized in an online interactive perspective of social media usage.

Social presence in a customer perspective is defined in such a way that their media usage, information trust, involvement, participation, interaction, reaction, response, reference and relationship in social media platforms. With an active participation, customer can get fast response from those who have common interest and or a similar identity. This can influence their consumption pattern and behaviour. They are motivated by consuming information, entertainment, socializing and self-expression.

### **Theoretical research model- SOCIAL PRESENCE INFLUENCE ON PURCHASE BEHAVIOUR**

Independent variable- SOCIAL PRESENCE	Dependent variable – PURCHASE BEHAVIOUR
Social interaction	Purchase intention
Social media usage	Product comparison
Trust	Purchase decision
Reviews, reference, relationship	Repurchase decision

#### **Literature review**

For the purpose of gathering theory base from former studies for the formulation and validation of research model, we have gone through 329 research articles and papers. From the referred studies the most important are segregated on basis of variables listed based on the relevance.

The variables are identified in such a manner that repeated usage, test results related to study area.

### **Social presence**

Short, Williams, and Christie (1976) define social presence as the salience of the other in mediated communication and the consequent salience of their inter-personal interactions. Gunawardena and Zittle (1997) describe it as Short, Williams, and Christie (1976) define social presence as the salience of the other in mediated communication and the consequent salience of their inter-personal interactions. Gunawardena and Zittle (1997) describe it as the degree to which a person is perceived as a real person in mediated communication, while McLellan (1999) claims it is the feeling of presence with others in a social context. Tu (2000) argues that it is the extent of individuals' awareness; on the other hand, Leh (2001) describes it as the individual's feeling himself in the context of social terms. Additionally, Whiteman (2002) defines it as a feeling of involved other participants in the communication process. It is also believed to be the perception of participants as real individuals (Kreijns, 2004) and the perception of being together with others in e-learning contexts (Biocca, Harms, & Burgoon, 2003). Research related to social presence highlights the importance of its perception in e-learning contexts (Kim, Know, & Cho, 2011; Zhan & Mei, 2013). Moreover, this research emphasizes the effect of social presence on certain features, such as learners' success (Russo & Benson, 2005; Zhan & Mei, 2013), satisfaction (Gunawardena & Zittle, 1997; Richardson & Swan, 2003; So & Brush, 2008; Zhan & Mei, 2013), and performance (Lomicka & Lord, 2007; Richardson & Swan, 2003). According to Gunawardena (1995), social presence is necessary to increase the effect of education in face-to-face and e-learning environments. On the other hand, Aragon (2003) states that the main aim of creating the perception of social presence is to provide a flexible environment for other participants, so that participants can explain themselves better. The increase of social presence perception in e-learning contexts allows individuals to participate more eagerly (Rourke, Anderson, Garrison, & Archer, 1999), and to share their experiences more easily (Newberry, 2001). According to Rourke et al. (1999), another benefit of social presence perception is to support cognitive and affective learning aims. If e-learning environments are deprived of social presence perception, certain problems may arise, such as participants not being able to get accustomed to the context (Leh, 2001), or not being able to explain themselves easily

(Gunawardena, Carabajal, & Lowe, 2001). As a result, it is argued that there is a decrease in the extent of the information shared (Leh, 2001). Furthermore, the deficiency of the social presence perception may cause high disappointment among learners and the decrease of affective learning (Hughes, Ventura, & Dando, 2007).

### **Social interaction and Social media usage, Reviews, Relationships in Social media**

According to prior research (Chen et al. 2011; Cheung et al. 2012), online social interactions can be divided into opinion-based social interaction and behavior-based social interaction. Opinion-based social interaction, also known as online reviews, refers to any positive or negative online consumer opinions toward products and sellers (Henning-Thurau et al. 2004). Behavior-based social interaction, which refers to observational learning, indicates that consumers make purchase decision based on observing the purchase actions of others. Online reviews have been recognized as an important concern in the marketing. In online environments, many consumers prefer to search product opinions and recommendations from other consumers for product quality inference and uncertainty reduction. Hence, it is important to examine whether a consumer will adopt online reviews and assess their influence on purchase decision (Cheung et al. 2009). According to previous studies (e.g., Cheung et al. 2008; Zhang & Watts 2008; Zhang et al. 2010), review quality and source credibility are two important attributes of online reviews. The two attributes are primarily proposed based on dual process theories (e.g., the elaboration likelihood model and heuristic-systematic model) (Chaiken et al., 1989; Petty et al. 1981). The dual process theories posit that people process information (e.g., online reviews) through two routes, the central route and peripheral route. The central route highlights that people may spend a high level of cognitive effort in the processing, while the peripheral route indicates that people may apply simple decision rules to make judgment. From this perspective, review quality is manifested as a central route factor, and source credibility is denoted as a peripheral route factor in the context of online reviews (Cheung et al. 2008; Cheung et al. 2009; Zhang & Watts 2008). Researchers show that high quality online reviews can affect consumers' shopping behavior (Park & Lee 2008; Sparks et al. 2013). Similarly, reviews from credible sources are likely to affect consumers' adoption of online reviews (Cheung et al. 2009; Zhang & Watts 2008). Consumers accept these reviews as the reviews help them judge the quality of products better, and then they are likely to purchase the products

(Wang & Chang 2013). Observational learning, which stems from the information cascade theory in the economics literature, is another important factor that may affect consumers' purchasing behavior (Bikhchandani et al. 1992).

The information cascade theory suggests that, when people are under ambiguous environments or have limited information, the influence of others' behavior tends to be more powerful than the influence of decision makers' own information (Bikhchandani & Sharma 2001). In a similar vein, consumers may infer the true value of a product based on observing and imitating the purchase actions of their predecessors without relying on their private information (Anderson & Holt 1997).

Positive observational learning indicates that many others have performed a behaviour and is likely to stimulate an individual to imitate this behavior (Bikhchandani et al. 1992). In online environments, Chen et al. (2011) referred to observational learning as the total number of purchasing actions by existing consumers. Prior research shows that product sales volume can positively affect consumers' consumption choice (Chen 2008).

Zhang, Kem Z.K; Hu, Bing; and Zhao, Sesia J.(2014), proposed that social interaction factors may serve as stimulating cues. In specific, opinion-based social interaction (i.e., review quality and source credibility) and behavior-based social interaction (i.e., observational learning) may affect perceived usefulness and positive affect (organism), which further lead to consumers' urge to buy impulsively (response). The test results show that both source credibility and observational learning positively influence perceived usefulness and positive affect. Meanwhile, review quality has a significant impact on perceived usefulness, but not on positive affect. Perceived usefulness is found to posit a significant impact on positive affect, which influences urge to buy impulsively.

## **Trust**

Trust is a complex concept that has been studied from varying views and disciplines. From a business perspective, trust has been defined as the willingness to depend on an exchanging partner in whom one has confidence, the willingness to be vulnerable to the actions of another party, and the expectation of ethically justifiable behavior among others.

“Building Online Trust through Socially Rich Web Interfaces” Khaled S. Hassanein and Milena M. Head(2004) investigates how human warmth and sociability (social presence) can be integrated through the Web interface to positively impact online trust. An empirical study was

undertaken to explore the impact of various levels of socially-rich text and picture design elements on the perception of online social presence and its subsequent effect on online trust and its antecedents. Higher levels of social presence are shown to positively impact the perceived usefulness, enjoyment and trust of commercial Websites. Implications of these findings for practitioners and future research are outlined

Trust has been shown to have a positive effect on consumers' attitudes towards a company and customers who trust a company are more likely to buy from its Website (Gefen, et al. , 2003; Koufaris & Hampton-Sosa, 2004). This effect can be direct or can be mediated through a decrease of perceived risk when interacting with the online company (Jarvenpaa, et al., 2000).

The main inhibiting reason of online shopping is consumer's doubts about trust on web. In addition, for online shopping, buyers stand only in the case that they need to have acceptable confidence level about shopping on Internet (Hoffman, Novak & Peralta, 1999). Urban, Sultan & Qualls describe trust in web as customers' concerns in security, how transactions are handled by the company on Internet, and its sincerity in adherence to what is agreed with the customer. According to Lee & Turban (2001), trust in shopping through the Internet has two dimensions as a purchasing medium and trust in the online business (Lopez and Rios, 2005, 12). In the regard of the high relevance between attitude and trust, Lopez and Rios mark that every company should encourage their customers for online shopping on their web sites by intensifying customer attitudes towards their sites (Lopez and Rios, 2005, 22). Ang and Lee (2000) point that "if the web site does not lead the consumer to believe that the merchant is trustworthy, no purchase decision will result".

Corritore et.al. (2003) posit that Websites could be objects of trust. From this perspective, Websites could be seen as a technology that mediates trust between consumers and an online vendor in much the same way that a salesperson is seen as mediating trust between a consumer and an offline business (Andaleeb & Anwar, 1996; Crosby, et al., 1990; Doney & Cannon, 1997). Therefore, it is reasonable to expect that customers' experience while visiting a Website would influence their trust in an online vendor.

Researchers have proposed several models to conceptualize online trust (Aberg & Shahmehri, 2000; Head & Hassanein, 2002; Lee, et al. , 2000; Papadopoulou, et al. , 2001; Roy, et al. , 2001;

Salam, et al. , 1998; Yoon, 2002). Some of the antecedents to online trust that have been explored conceptually and/or empirically include trusted third parties (Head & Hassanein, 2002; Van Den Berg & Van Lieshout, 2001) and online reputation systems (Koufaris & Hampton-Sosa, 2004;

Lohse & Spiller, 1998); perceived organizational reputation (de Ruyter, et al. , 2001; Jarvenpaa, et al. , 2000; McKnight, et al. , 2002; Pavlou, 2003); perceived organizational size (Jarvenpaa, et al. , 2000); social presence of the Website (Gefen & Straub, 2000); perceived privacy (Pavlou & Chellappa, 2001) and security (Koufaris & Hampton-Sosa, 2004); Website design features (Egger, 2000; Nielsen, et al. , 2001; Roy, et al. , 2001 ); and Website experience factors such as perceived ease of use (Gefen, et al. , 2003; Koufaris & Hampton-Sosa, 2004; Pavlou, 2003), perceived usefulness (Koufaris & Hampton-Sosa, 2004; Pavlou, 2003) and enjoyment (Dahlberg, et al. , 2003). Gefen et al. (Gefen, et al. , 2003) and Grabner-Krauter and Kaluscha (GrabnerKrauter & Kaluscha, 2003) provide a comprehensive meta-review of online trust models.

### **Conclusion**

This paper can be concluded not by summarizing the major finding but pointing out the limitations and opportunities and scope for future researches. First, this study collected only published papers and thesis only no primary data was collected and used. To enhance the generalizability of the findings, further research may replicate our model on other international group shopping websites with a larger sample size. It will be also interesting to extend this study to other online shopping contexts. Second, this study only highlights the influence of only few important factors of social presence on purchase behaviour. Further research may incorporate the role of marketer's side aspects into the research model. Thus, future research may consider the influence of some possible factors,

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