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## The Influence Of Belief And Justice On Brand Loyalty In Social Commerce

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### Abstract

This paper presents a research model to examine factors influencing brand loyalty and these relationships in social commerce. The model comprises four research hypotheses with five constructs, including behavioral beliefs, normative beliefs, control beliefs, justice and brand loyalty. The constructs are measured by well-supported measures in the literature. The hypotheses are tested via an empirical study of social commerce. Structural equation modeling is used to analyze survey data collected from 363 usable responses. The results show that, in the order of importance, control beliefs, behavioral beliefs and normative beliefs are the major factors contributing to justice and in turn enhance brand loyalty for the social commerce as a whole.

*Keywords:* Behavioral Beliefs, Normative Beliefs, Control Beliefs, Justice, Brand Loyalty, Social Commerce

### INTRODUCTION

Brand loyalty is a key factor in establishing and sustaining successful social commerce. Social commerce is rapidly emerging as an extension of e-commerce, primarily due to the increased popularity of social networking sites (SNSs) such as Facebook, LinkedIn, and Twitter [14]. These sites provide functions (such as the Facebook “Like” and “Share” buttons and is “comment” function) that make it easy for users to share information with their friends or other users. Because social networks can enhance a product’s competitive advantage by creating commercial activities within the social network environment, maintaining customer brand loyalty by online merchants has become a common practice

To achieve the advantages of brand loyalty, business in the community website, justice are a key factor. Existing studies have empirically examined the moderating effect of habit on the link between trust and brand loyalty [6] and the relationship between satisfaction and brand loyalty (eg., [3] [22]). Little is known about the implications that the inter-relationship between beliefs and justice has for effective brand loyalty in social commerce. Consumers shopping online about three of common belief are that it can save time, save money, and help find the products that best meet the needs. But how do these beliefs, alone or in combination, affect online purchasing behavior [12]. The theory of consumption values [30] provides an appropriate conceptual framework to examine how consumption values and beliefs influence consumer decisions. For instance, how consumers allocate time, money while shopping is a key problem [12]. This study is to explore the influence of belief and justice on the brand loyalty.

The online shopping process can be considered as an exchange of time, effort and money for the receipt of products or services in a virtual store [18]. From this perspective, online shopping and outline shopping programs are similar, such as consumers, product information, negotiation and procurement. The original concept of justice assumes that perceived justice affects all types of social exchange behaviors [18]. In an online context, distributive justice refers to the extent to which consumers feel that their transactional efforts are fair, when compared to the outcomes offered by e-vendors [17]. Procedural justice for web stores concerns consumers’ perception of fairness, in terms of the policies, procedures and criteria offered by vendors in their transactions [31]. Online shopping of the main communication medium is the user interface with the system. System should be trusted and liked by the user. Accordingly, interactional justice reflects the perceived fairness of a communication between system interface and online consumers [18]. Therefore, this paper uses justice theory to investigate consumer’s behavior in online shopping.

To address improvement to brand loyalty in the context of social commerce, a research model is developed in this study to investigate the factors influencing brand loyalty. This study bundles Theory of Planned Behavior (TPB) and justice theories to illustrate and, provide a more complete explanation of back working mechanisms. To verify this research model, an empirical study of Taiwanese consumers using social commerce sites was conducted.

The remainder of this paper is organized as follows. Section 2 presents the theoretical framework and hypothesis development. The data collection method and research design are described in Section 3, and this study’s findings are presented in Section 4.

Finally, Section 5 provides a discussion of the results, and Section 6 concludes this study, offering directions for future research.

### THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

#### Research model

Figure 1 shows the whole research model and relationships in factors. Four hypotheses were tested with respect to this model.

Each hypothesis is indicated by the letter H and a number. The arrows indicate the hypothesized relationships.

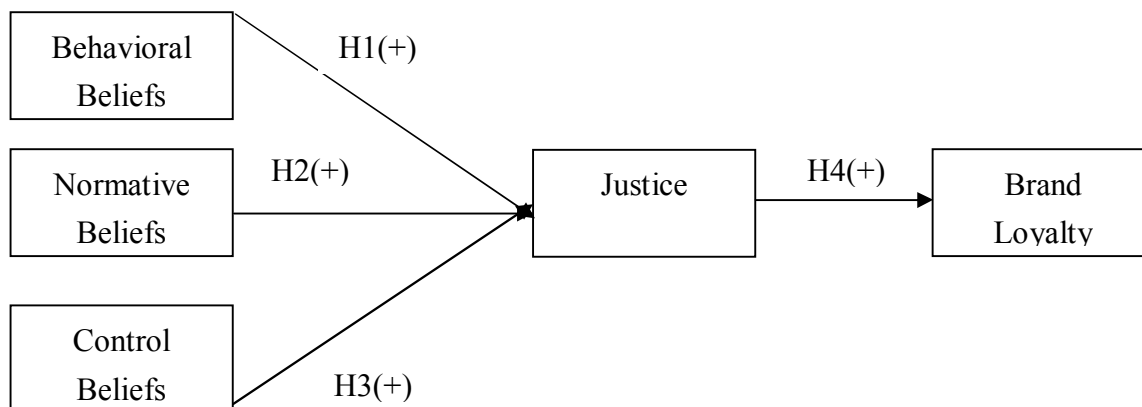


Figure 1: The research model

### **Behavioral Beliefs**

Behavioral Beliefs is related to behavioral intention, is the individual wants to take a specific action. Guided and whether you decide this behavior a way of expression under the selection process behavior. It refers to the subjective intention that behavior is consistent with the implementation of expected results. Based on the above definition, a corollary of this study the following hypothesis:

H1: Behavioral Beliefs are positively related to Justice.

### **Normative Beliefs**

Normative belief is related to social influence. TPB postulates the influence of other people through normative belief in impacting individuals' behavior. Justice may be under the influence of family, friends or other people. The influence of people around human is the major point of normative beliefs. Justice may also be influenced by normative beliefs, because it involves the exchange of information. The information may come from other people's recommendations. Based on the above definition, a corollary of this study the following hypothesis:

H2: Normative Beliefs are positively related to Justice.

### **Control Beliefs**

Control beliefs are also known as personal beliefs about the ease or difficulty of implementation is the expected behavior<sup>[19]</sup>. These control beliefs' factors based on past experience to constrain the future of behavioral intentions. If justice is the expected behavior, the effect is likely to be influence by control beliefs. Based on the above definition, a corollary of this study the following hypothesis:

H3: Control beliefs are positively related to Justice.

### **Justice**

Much research on service recovery has generally identified consistent relationships between justice perception and customer satisfaction [17]. In a study of the hotel and restaurant sectors, Martinez-Tur et al. (2006) reported that all of the three justice dimensions; distributive, procedural and interactional justice, are important predictors of customer satisfaction. Pizzutti and Fernandes (2010) argued that customer satisfaction is significantly determined by all three justice dimensions; distributive, procedural and interactional justice, in a study of the e-retailing sector. This study further found that distributive justice has a greater effect on customer satisfaction and that procedural justice has the smallest influence on customer satisfaction. And manifest satisfaction is directly and unequivocally related to true brand loyalty because manifest satisfaction means the explicit evaluation of the brand which (in the case of a positive evaluation) leads to commitment to the brand [20]. Satisfaction is the predecessor of brand loyalty, intention to rebury the product and behavior of brand towards its customers [27]. Brand loyalty can increased by the satisfaction of customer and repeat the purchase of the same product services [36].

Satisfied customers have a higher likelihood of repeating purchases in time [35]. Now companies are trying to increase consumer satisfaction, because satisfied customers than other cosumers have higher chance to buy back the same products, and which the satisfied customers tend to be loyal customers.

H4: Justice is positively related to brand loyalty.

## RESEARCH METHOD

To develop the survey instrument, a pool of items was identified from the literature for measuring the constructs of the research model. Data from an online survey sample were collected to assess the instrument's validity and reliability and to test the hypothesized relationships of the research model.

All measures of the survey instrument were developed from the literature. Where appropriate, the manner in which the items were expressed was adjusted to the context of online auction site. The English version was developed first, then translated into Chinese, and then back-translated into English. When the back-translated English version was checked against the original English version, some questions were reworded to improve the accuracy of the translation. The expressions of the items were adjusted, where appropriate to the context of online auction site industry. The items measured on a seven-point Likert scale, ranging from 'strongly disagree' (1) to 'strongly agree' (7).

In order to improve the content and appearance of the 21-item questionnaire, a pre-test it was performed on a sample comprising four academic researchers and four Ph.D. students. The respondents were asked to complete the questionnaire and provide comments on the wording, understand ability and clarity of the items, as well as on the overall appearance and content of the instrument. The responses suggested that all statements were retained and only minor cosmetic changes were needed. After a further review by two other academic researchers, the instrument was deemed ready to be sent to a large sample in order to gather data for testing our research model.

## RESEARCH RESULTS

Structural equation modeling (SEM) with AMOS 21.0 was used to analyze the hypothesized relationships of the research model. SEM aims to examine the interrelated relationships among a set of posited constructs simultaneously, each construct is measured by one or more observed items (measures). It involves the analysis of two models: a measurement (or factor analysis) and a structural model. The measurement model specifies the relationships between the observed measures and their underlying constructs, with the constructs allowed to inter-correlate. The structural model specifies the posited causal relationships among the constructs.

### Assessment of the measurement and structural model

The measurement model specified for the research model was assessed to ascertain the extent to which the observed measures (surveyed items) were actually measuring their corresponding construct. The 19 items of the survey instrument were first analyzed to assess their dimensionality and measurement properties. All items loaded significantly and substantially on their underlying constructs, thus providing evidence of convergent validity. Using a confirmatory factor analysis, all items were found to perform well and were thus retained in the model.

The chi-square of the measurement model was significant ( $\chi^2 = 481.946$ ,  $df = 289$ ,  $p < 0.005$ ), with the value of ( $\chi^2 / df$ ) smaller than 2, indicating an ideal fit [5]. The large chi-square value was not surprising, since the chi-square statistic has been shown to be directly related to sample size [21]. To assess the overall model fit without being affected by sample size, alternative stand-alone fit indices less sensitive to sample size were used. These indices included the goodness-of-fit index (GFI), the adjusted goodness-of-fit index (AGFI), the comparative fit index (CFI), and the root mean square error of approximation (RMSEA) [21]. For a good model fit, the GFI should be close to 0.90, AGFI more than 0.80, CFI more than 0.9, and RMSEA close to 0.06 [21]. An assessment of the measurement model suggests an acceptable model fit (GFI = 0.908; AGFI = 0.881; CFI = 0.974; NFI = 0.938; RMSEA = 0.043).

To assess the reliability of the constructs, composite reliability (CR) was facilitated. All of the composite reliability values, ranging from a low of 0.845 to a high of 0.999, exceeded the recommended cut-off value of 0.80 [21]. A variable's squared multiple correlations (SMC) is the proportion of its variance that is accounted for by its predictors. The average variance extracted (AVE) was greater than 0.5 in all cases, meaning that the variance accounted for by each of the constructs was greater than the variance accounted for by measurement error [21]. In addition, an assessment of discriminant validity between the constructs supported the model fit. The overall fit of the structural model is acceptable, since all measures of fit reach an acceptable level ( $\chi^2 = 481.946$ ,  $df = 289$ ,  $\alpha = 0.01$ ; GFI = 0.909; AGFI = 0.881; CFI = 0.974; NFI = 0.938; RMSEA = 0.043).

### Common method bias

Following the suggestion of [32], Harmon's one-factor test was run to ensure that common method variance did not account for our findings. Unrotated principal components analysis revealed six factors with eigenvalues greater than 1, which accounted for 72.200% of the total variance. The first factor did not account for the majority of the variance (23.303%). This assessment offer evidence that no single factor emerged that accounted for most of the variance.

This thesis examined the data for empirical evidence of common methods bias by conducting a confirmatory factor analysis (CFA) which included a construct representing an unmeasured methods factor. It is assumed that common method variance is not a serious threat if the one-factor model has a poor fit with the data [15]. To develop the one-factor model, the step is to load all of the measurement items into a single factor. The CFA results indicated that the one-factor model did not fit the data ( $\chi^2 = 656.510$ ,  $df = 295$ ; GFI = 0.880; AGFI = 0.846; CFI = 0.952; NFI = 0.916; RMSEA = 0.058). Thus, the result concluded that common method bias does not appear to be a problem in the study.

### Hypotheses testing

Figure 4 shows the structural model with the coefficients for each path (hypothesized relationship), where solid and dashed lines indicate a supported and unsupported relationship respectively. Behavioral Beliefs (H1:  $\gamma = 0.213$ ,  $t = 2.830$ ,  $p < 0.05$ ) is significantly associated with justice. Normative Beliefs (H2:  $\gamma = 0.131$ ,  $t = 3.683$ ,  $p < 0.001$ ) is significantly associated with justice. Control Beliefs (H3:  $\gamma = 0.453$ ,  $t = 6.366$ ,  $p < 0.001$ ) is significantly associated with justice. Justice (H4:  $\gamma = 0.689$ ,  $t = 9.919$ ,  $p < 0.001$ ) is significantly associated with brand loyalty.

### DISCUSSION

Conforming to the hypothesis, justice has the positive influence on brand loyalty. In Taiwan's social commerce, justice plays the significant role in brand loyalty. Justice can promote consumers to enhance the brand loyalty. Thus, sellers and buyers should reinforce their belief so as to improve justice and in turn achieve the competitive advantage of brand loyalty.

Belief is positively associated with the justice in Taiwan's social commerce. The belief means that the value of a product depends on the total number of users. Punj (2011) pointed out that beliefs influence purchase behavior can assist online merchants to create more value for consumers.

### CONCLUSION AND FUTURE RESEARCH

This empirical research is among the earliest studies attempting to address the issues of justice to improve brand loyalty in the social commerce. In order to address this important issue in the social commerce was investigated in this study to explore factors influencing the justice and brand loyalties. The contributions of this thesis are described as follows. First, provided insights into how the positive effect of belief reinforces justice in order to achieve the brand loyalty. Second, this paper extends current research by highlighting the roles of control beliefs, behavioral beliefs and normative beliefs in online brand loyalty. The findings of the study provide practical insights in understanding how social commerce should re-examine belief between sellers and buyers that would improve justice, in order to enhance brand loyalty for the social commerce as a whole.

Despite these contributions, this study suffers from methodological limitations typical of most empirical surveys. For data collection, even through the necessary steps were taken to detect and eliminate items that would result in an invalid sample, it was still difficult to determine the real identity of the respondents because most of them refuse to provide their true personal information for an internet survey. Another concern is that the respondents may complete the questionnaires using different accounts or computers for the purpose of receiving rewards. Finally, the findings only reflect the setting of Taiwan's social commerce marketplace. Nevertheless, the number of businesses involved in cross-country or cross-sectional e-commerce is increasing worldwide, such as in the United States, Europe, and Asia-Pacific. To address these inherent limitations, future research on cross-country studies of various forms of SNSs would be worth conducting to examine regional differences in the development of social commerce activities.

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