Conference Paper

The Driving Forces of C2C Social Commerce in Thailand: A Developing Framework

Supattana Sukrat[1], Pruthikrai Mahatanankoon[2], and Borworn Papasratorn[1]

[1]King Mongkut's University of Technology Thonburi, Thailand
[2]Illinois State University, Illinois, USA

Abstract

Social Networking Services (SNSs) allow individuals and small online retailers to engage in consumer-to-consumer social commerce (C2C s-commerce). It is a growing phenomenon in Thailand. This article seeks to articulate the driving forces behind the massive growth of C2C s-commerce in Thailand. Our preliminary literature review and observation reveal a set of interrelated drivers or dimensions fueling this growth: personality and motivation, user-generated content, ICT, and virtual community management. We postulate that these drivers are the main building blocks for C2C s-commerce adoption in Thailand. Researchers and practitioners can refer to these dimensions as they seek to reexamine C2C s-commerce in the context of Thailand or other emerging economies.

Keywords: consumer-to-consumer (C2C), s-commerce, driving forces, Facebook, motivation, personality, social networking sites, social commerce, virtual community

Corresponding Author:
Supattana Sukrat
supattana.s@psu.ac.th

🔓 **OPEN ACCESS**

1. Introduction

Social Networking Services (SNSs) have changed the nature of online e-commerce by integrating social activities with commercial functionalities. Many features of modern SNSs' platforms entice individuals living in emerging economies to generate secondary income in their spare time. Facebook Messenger, Line chat, or WeChat can be used to establish relationships among buyers and sellers [1, 2] fueling the widespread adoption of Consumer-to-Consumer (C2C) social commerce. For example, in Thailand and the Republic of China, new and secondhand products and services are posted on Facebook and other SNSs such as Line, Instagram, and Pinterest to present product pictures and descriptions to potential buyers [1, 3].

Many online transactions on SNSs initially take place among unfamiliar buyers and sellers, or between individual consumers. While e-commerce is changing how traditional retailers operate in developed countries, the emergence of C2C s-commerce has altered the nature of small or individual online businesses in Thailand. This article

explores the underlying factors fueling the proliferation of C2C s-commerce in Thailand from the consumer's perspective. We propose four multi-faceted drivers that could better enhance our understanding of consumer behaviors supported by SNSs and gain new insights into the development of C2C s-commerce.

2. The Emergence of C2C Social Commerce

Social networking and mobile technologies have empowered users from being content receivers to content creators [4]. Smart mobile devices equipped with modern social, mobile applications bring consumers closer together than ever before. Fearing being left behind, established online retailers add multiple SNSs' functionalities into their e-commerce websites; thereby, creating what research commonly defines as social commerce (s-commerce) [5]. With s-commerce arrangements, consumers share knowledge about products and services via social networking applications, such as recommendations and referrals, ratings and reviews, online communities and forums, and blogs [6]. The sharing of knowledge, therefore, influences consumers' intention to buy from e-commerce websites [7].

Nonetheless, most consumers and start-up retailers in emerging economies stimulated by socio-economic factors often find alternative uses of SNS platforms, which can bypass intermediary retailers. We refer to an instance where consumers using SNSs, often with the absence of intermediaries, conduct business transactions among themselves as C2C s-commerce. With the widespread adoption of SNSs, SNS providers continually strive to enhance their commercial functionalities, which in turn gradually facilitates the growth of C2C s-commerce. Advanced SNSs also empower consumers to be an integral part of C2C s-commerce. They can perform business transactions with other customers by taking advantage of SNSs' key features and functionalities.

A traditional s-commerce setting has three dimensions [8]: people (user behavior and adoption strategy), business (firm performance, business models, and enterprise strategies), and technology (network analysis and website design). The authors also define the four major commercial activities: social media marketing, enterprise management, technology support, and organizational management [8]. Wang and Zhang [9] examine the four critical dimensions, i.e., people, management, technology, and information, and explain the evolution of s-commerce from 2005 to 2011. According to the authors [9], the people dimension in s-commerce refers to individual buyers and

sellers, small or large groups, or online communities taking advantage of the technology. The management dimension is related to business strategies, business model, policies, processes, and opportunities for competitive advantage in s-commerce. Technological capabilities and advancements constitute the technology dimension. The information dimension refers to information processing in an s-commerce context from the beginning to the end including using generating, processing, and disseminating among consumers. These dimensions are interrelated and influence each other. From the practical viewpoint, well-connected online networking and consumers drive the progress of s-commerce, and in most cases, they promote the success of s-commerce via community building and customer relationship management.

However, with the emergence of C2C s-commerce, other potential factors are contributing to its success, including economic, social, and technological [2]. Bao and Volkovynska [2] propose the seller's dimensions of C2C s-commerce: 1) economic aspect (i.e., financial rewards), 2) social aspect (i.e., social rewards, cost, information support, emotional support, trust, commitment, satisfaction, information sharing, knowledge sharing, network, target audience, and popularity), and 3) technological aspect (i.e., usability, convenience, and security). By adhering to the previous studies [2, 8, 9], the next section explains the key drivers of C2C s-commerce in Thailand.

3. The Creation of C2C S-commerce Framework in Thailand

We reiterate the four dimensions of s-commerce purposed by Wang and Zhang [9] (i.e., people, management, technology, and information) and repurpose their original dimensions as *personality and motivation*, *user-generated content*, *information and communication technologies* (ICT), and *virtual community management*. In this article, '*consumers*' are referred to as either sellers or buyers, and their roles can be easily reversed to fit the context of C2C activities.

Personality and motivation capture the psyche of online consumers, including their motivation, personality, culture and any related emotionally driven attributes. **User-generated content** includes text, image, and multimedia that are generated by SNS users. **Information and Communication Technologies** (ICT) are related to the adoption of mobile applications, such as mobile banking and SNS technologies, which play an essential role in support of commercial activities. Consumers can search for products from smartphones equipped with the necessary mobile applications. For secure and
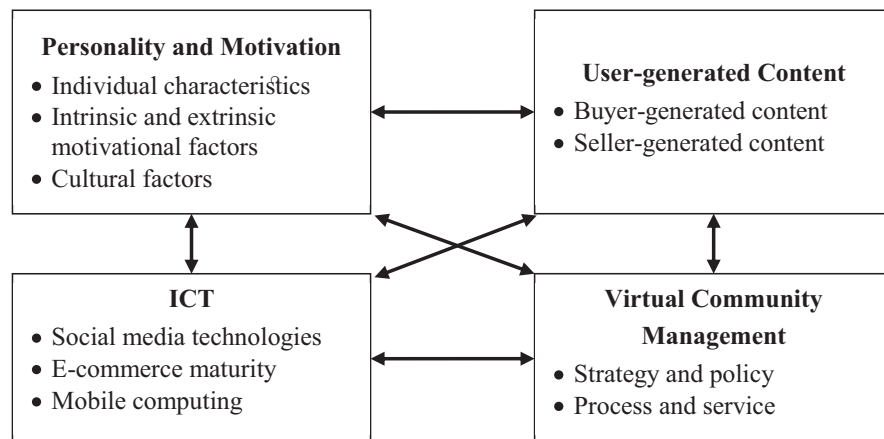
Figure 1: Components of C2C S-Commerce, adapted from [2, 8, 9].

immediate money transfer, buyers use online/mobile banking for transaction fulfill-ment. **Virtual community management** includes business strategies, models, policies, and processes for building competitive or bargaining advantages among consumers.

Figure 1 illustrates the interrelated dimensions. For example, when product pictures and description (*user-generated content*) are posted on member's Facebook personal profile (*ICT*), potential buyers who see the post and are interested in making a purchase (*personality and motivation*) may contact sellers directly via Facebook Messenger (*ICT*). Before making a decision, buyers may seek sellers' historical sale information such as delivery history, product reviews and comments (*user-generated content*) created by other consumers via SNSs (*ICT*). Customers joining online purchasing groups must abide by written or unwritten rules and appropriate behaviors enacted by group administra-tors (*virtual community management*).

4. The Drivers of C2C S-commerce in Thailand

This section describes the driving forces behind each component of the framework (Figure 1). Our depiction of the driving forces is based on the experience of observing commercial activities which had taken place on Facebook, Line, and Instagram, etc. As mentioned earlier, '*consumers*' in the context of C2C can be either individual sellers or buyers, and their roles can be easily reversed—a vendor can assume the role of a buyer, and vice versa.

4.1. Personality and Motivation

Personality and Motivation refer to consumers engaging in C2C s-commerce settings. Although age, gender, and education level have an impact on consumer intention to purchase [10–13], other personality and motivational factors, including traits, personal innovativeness, impulsive behavior, and self-efficacy are the crucial factors influencing consumer's buying intention. Personality traits have a positive impact on buying intention [14, 15] and can moderate online shopping behaviors [16]. We speculate that *younger, tech-savvy Thais who have a higher level of innovativeness and self-efficacy are likely to engage in C2C s-commerce activities.*

While several studies find a positive relationship between impulsiveness and s-commerce activities [3, 17], we also found that customers' intention to buy can be increased by financial incentives or other motivational factors, i.e., perceived usefulness [10, 18], convenience, minimal effort, cost, and time [10, 19, 20]. Research also shows that enjoyment, perceived playfulness, and perceived ease of use influence consumer intention to engage in s-commerce [21–23]. Since shopping seems to be one of the favorite leisure activities among Thais, being able to bargain for the lowest price successfully gives Thai buyers a sense of pride and allows them to justify their purchases. Therefore, we postulate that *intrinsic motivational factors, e.g., the perception of being fun, enjoyable, and playful, assert as much influence as the external financial rewards stemming from online purchasing.*

Moreover, a cultural difference has an effect on the perceived usefulness, perceived ease of use, trust, and usage intention in an e-commerce environment [24, 25]. Ng [26] argues that consumer's purchasing intention and trust is moderated by their culture, leading to different buying behaviors. In Thailand where people tend to avoid ambiguous or unknown situations [27], many consumers engage in commercial activities under the obscurity of SNSs; they often utilize multiple mobile communication channels or use several SNS applications along with a variety of aliases. For the older generation or less tech-savvy Thais, they can rely on their children, friends and family to make purchases on their behalf. SNSs often lessen consumer's purchase anxiety until face-to-face trust is established. In a conflict avoidance culture, many Thais usually communicate or behave more aggressively while online; they behave as if SNSs can shield themselves from their aggression or negative emotions. We also propose that *a conflict avoidance mindset plays a key role in the widespread acceptance of C2C s-commerce activities in Thailand.*

4.2. User-generated Content

Quality user-generated content can propel C2C s-commerce activities. Quality information helps build trust [28] and higher consumer trust leads to higher purchase intention [29]. User-generated content includes text and rich media, blogs, forums, wikis, chats, tweets, digital images, and videos. Additionally, a consumer's profile on SNSs, including rating and images, is critical to one's identity [30]. There are two aspects of user-generated content: (1) *Seller-generated content* (e.g., personal profile, number of friends, product information, product reviews, and history information). Sellers can create their profile, images, product description, payment methods and other contents to differentiate themselves from other vendors. (2) *Buyer-generated content* (e.g., product comments, reviews, and the number of "likes"). It is likely that the information shared or posted by friends, families, and followers influences consumers' purchase decisions. Also, products bought or used by friends, families, or followers, as displayed on SNSs, also help the users explore and later accept new products and services. Therefore, we postulate that *the quality of user-generated content promotes C2C s-commerce in Thailand.*

4.3. Information and Communication Technologies (ICT)

The Information and Communication Technologies (ICT) domain refers to technologies that perform business transactions through communications technology such as the Internet, wireless networks, and mobile technologies. C2C s-commerce activities in Thailand often takes place on Facebook, which is the preferred platform among Thai consumers. In fact, Thailand is the world's top ten users of Facebook [31]. Sellers can leverage Facebook live video streaming for real-time product promotion, while buyers can browse or buy products, search for relevant product information, connect and exchange information among other consumers. Customers can directly contact sellers for more details and negotiation through Facebook Messenger or Line chat. To obtain products quickly, sellers provide bank accounts for e-payment or use Facebook's online payment, which may facilitate trust among consumers. With the low cost of internet connectivity, innovative smartphones, and SNS applications, consumers have instant access to C2C s-commerce activities. We postulate that *the advancement of Thailand's ICT infrastructure enables the widespread occurrence of C2C s-commerce.*

4.4. Virtual Community Management

A virtual community that supports C2C s-commerce needs constant cooperation among its members. A virtual community of buyers has higher bargaining power over individual sellers. Research shows that familiarity, similarity and structural assurance influence purchase intention and trust [32]. Facebook is often the platform of choice for C2C s-commerce transactions and virtual communities. It often provides the written or unwritten rules, regulations, and policies enacted by group administrators, who create and manage a variety of different consumer groups. In C2C s-commerce settings, it is also necessary for sellers to manage business processes, strategies, policies and leverage the communication channels of virtual communities to enhance their relationships with existing and potential buyers. Sellers who communicate a well-defined business strategy along with a systematic delivery process can influence purchasing intention.

As a collectivist society, Thai consumers understand the values of group bargaining. However, without enforcing the enacted rules and policies, the process of negotiation often turns chaotic. Facebook groups often associate consumers with common purchasing goals or product interests. These groups are usually operated or maintained by Facebook users who volunteer as group administrators. A well-maintained Facebook group (consumer group) builds trust and rapport among members of the group. Strategies related to the establishment a cohesive virtual community along with the creative use of social networking media can have a positive impact on group confidence, trust, and rapport. Thus, *we postulate that active group administrators along with an ability to establish and respectfully enforce rules and policies can drive the success of C2C s-commerce in Thailand.*

5. Implications for Future Research

This article proposes a conceptual framework that assists in the understanding of C2C s-commerce in Thailand. Future research may extend our proposed dimensions to other developing countries similar to Thailand, where the establishment of traditional e-commerce or B2C s-commerce is often less than ideal. For virtual community management, researchers may propose a set of predictors that may lead to consumer's cooperation and social ties. Researchers can examine the effects of user-generated content on unplanned or impulse purchasing. Individual personality and motivation could influence trust and purchase intention, while social network features of SNSs can reduce or mitigate buying anxiety and bring about trust among consumers.

Practically, sellers can examine these dimensions and find ways to attract buyers, increase customer satisfaction, or revitalize their business strategy. For example, buyer-generated content can be analyzed for customer dissatisfaction or new product offerings. Sellers can pay more attention to information quality as they advertise new products, communicate their purchase agreements, and respond to consumers' postings.

6. Conclusion

Thailand is one of Southeast Asia early adopters of smartphones and social networking applications. This article presents the conceptual framework of C2C s-commerce in Thailand. By modifying the existing frameworks, we proposed a set of drivers, i.e., personality and motivation, user-generated content, ICT, and virtual community management, which empower Thai users to conduct online businesses on Facebook and other social networking websites. We postulate that these drivers are the reasons behind the flourishing C2C s-commerce activities in Thailand. Exposing these drivers differentiates C2C s-commerce in Thailand from other traditional e-commerce and B2C s-commerce settings elsewhere.

References

[1] Sukrat S, Mahatanankoon P, Papasratorn B, The evolution of C2C social commerce models. 2016 Eleventh International Conference on Digital Information Management (ICDIM); 2016 19-21 Sept. 2016.

[2] Bao N, Volkovynska A. Social Commerce: Factors that stimulate sellers to engage in C2C commercial activity on social networking platforms. Lund University; 2016.

[3] Chen JV, Su B-c, Widjaja AE. Facebook C2C social commerce: A study of online impulse buying. Decision Support Systems. 2016; 83:57-69.

[4] Hajli M, Social commerce adoption model. Proceedings of the UK Academy of Information Systems Conference; 2012.

[5] Liang T-P, Turban E. Introduction to the Special Issue Social Commerce: A Research Framework for Social Commerce. Int J Electron Commerce. 2011; 16(2):5-14.

[6] Hajli N. Social commerce constructs and consumer's intention to buy. International Journal of Information Management. 2015; 35(2):183-191.

[7] Hajli M. A study of the impact of social media on consumers. International Journal of Market Research. 2014; 56(3):387-404.

[8] Liang T-P, Turban E. Introduction to the Special Issue Social Commerce: A Research Framework for Social Commerce. Int J Electron Commerce. 2011; 16(2):5-14.

[9] Wang C, Zhang P. The evolution of social commerce: The people, management, technology, and information dimensions. Communications of the Association for Information Systems. 2012; 31(5):1-23.

[10] Liébana-Cabanillas F, Alonso-Dos-Santos M. Factors that determine the adoption of Facebook commerce: The moderating effect of age. Journal of Engineering and Technology Management. 2017; 44:1-18.

[11] Faqih KM. An empirical analysis of factors predicting the behavioral intention to adopt Internet shopping technology among non-shoppers in a developing country context: Does gender matter? Journal of Retailing and Consumer Services. 2016; 30:140-164.

[12] Hwang Y. The moderating effects of gender on e-commerce systems adoption factors: An empirical investigation. Computers in Human Behavior. 2010; 26(6):1753-1760.

[13] Hayes M, van Stolk-Cooke K, Muench F. Understanding Facebook use and the psychological affects of use across generations. Computers in Human Behavior. 2015; 49:507-511.

[14] Turkyilmaz CA, Erdem S, Uslu A. The effects of personality traits and website quality on online impulse buying. Procedia-Social and Behavioral Sciences. 2015; 175:98-105.

[15] Gohary A, Hanzaee KH. Personality Traits as Predictors of Shopping Motivations and Behaviors: A Canonical Correlation Analysis. Arab Economic and Business Journal. 2014; 9(2):166-174.

[16] Chen S-H, Lee K-P. The role of personality traits and perceived values in persuasion: An elaboration likelihood model perspective on online shopping. Social Behavior and Personality: an international journal. 2008; 36(10):1379-1399.

[17] Xiang L, Zheng X, Lee MKO, Zhao D. Exploring consumers' impulse buying behavior on social commerce platform: The role of parasocial interaction. International Journal of Information Management. 2016; 36(3):333-347.

[18] Kwon SJ, Park E, Kim KJ. What drives successful social networking services? A comparative analysis of user acceptance of Facebook and Twitter. The Social Science Journal. 2014; 51(4):534-544.

[19] Hajli N, Shanmugam M, Powell P, Love PED. A study on the continuance participation in on-line communities with social commerce perspective. Technological Forecasting and Social Change. 2015; 96:232-241.

[20] Zhang S, Lee J-H, Fang L. The Effect of Shopping Motivation of Social Commerce on Purchase Intention. International Journal of Information Processing & Management. 2013; 4(6):137.

[21] Hashim KF, Yusof M, Affendi S, Ahmad R. The Influence of Hedonic Values on S-Commerce Adoption Behavior. Advanced Science Letters. 2015; 21(5):1561-1565.

[22] Park M-S, Shin J-K, Ju Y. The effect of online social network characteristics on consumer purchasing intention of social deals. Global Economic Review. 2014; 43(1):25-41.

[23] Shen J. Social comparison, social presence, and enjoyment in the acceptance of social shopping websites. Journal of Electronic Commerce Research. 2012; 13(3):198.

[24] Yoon C. The effects of national culture values on consumer acceptance of e-commerce: Online shoppers in China. Information & Management. 2009; 46(5):294-301.

[25] Kim E, Urunov R, Kim H. The Effects of National Culture Values on Consumer Acceptance of E-commerce: Online Shoppers in Russia. Procedia Computer Science. 2016; 91:966-970.

[26] Ng CS-P. Intention to purchase on social commerce websites across cultures: A cross-regional study. Information & Management. 2013; 50(8):609-620.

[27] Hofstede G. What about Thailand? [Internet]. 2017 [cited 23 August 2017] Available from https://geert-hofstede.com/thailand.html.

[28] Chen W, Fong S, Social network collaborative filtering framework and online trust factors: a case study on Facebook. Digital Information Management (ICDIM), 2010 Fifth International Conference on; 2010: IEEE. pp. 266-273.

[29] Lu B, Fan W, Zhou M. Social presence, trust, and social commerce purchase intention: An empirical research. Computers in Human Behavior. 2016; 56:225-237.

[30] Hum NJ, Chamberlin PE, Hambright BL, Portwood AC, Schat AC, Bevan JL. A picture is worth a thousand words: A content analysis of Facebook profile photographs. Computers in Human Behavior. 2011; 27(5):1828-1833.

[31] Statista. Leading countries based on number of Facebook users as of July 2017 (in millions) [Internet]. 2017 [cited 11 August 2017] Available from https://www.statista.com/statistics/268136/top-15-countries-based-on-number-of-facebook-users/

[32] Lu Y, Zhao L, Wang B. From virtual community members to C2C e-commerce buyers: Trust in virtual communities and its effect on consumers' purchase intention. Electronic Commerce Research and Applications. 2010; 9(4):346-360.