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## Article

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## **The Role of Trust and Social Presence in Social Commerce Purchase Intention**

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### **Abstract**

Social commerce is a new advancement of e-commerce that merges the commercial and social activities by deploying social technologies into e-commerce sites. Social commerce reintroduces e-commerce from the perspective of social media/ networks. This study was aimed to evaluate the individuals' intention towards social commerce in Pakistani context. The research model was examined in the light of positivist paradigm adapted questionnaire distributed among the people to yield data about the study constructs. The researchers employed PLS-SEM approach by using Smart PLS software to examine the hypothesized relationships. The findings suggest that social presence significantly influences the individuals' intention towards social commerce with the mediation of customers' experience. Furthermore, trust disposition, integrity of seller, competency of seller, and benevolence of seller positively shape the trust in marketplace. Moreover, trust in marketplace directly and significantly influences the individuals' electronic word-of-mouth and purchase intention towards social commerce. Theoretically, these findings contribute to a better understanding of the effect of social presence and trusting beliefs on individuals' electronic word-of-mouth and purchase intention towards social commerce. Finally, practical implications for nurturing thriving businesses in social commerce environment along with limitations and directions for future research have also been provided.

**Keywords:** social commerce, social network sites (SNS), trust in marketplace, purchase intention, electronic word of mouth (eWOM), online shopping.

### **1. Introduction**

Social commerce is rapidly growing phenomena around the world (Pomirleanu et al., 2013; Sturiale and Scuderi, 2013; Vongsraluang and Bhatiasavi, 2016; Lal, 2017; Yahia et al., 2018). Social commerce is a form of commerce where social media plays the mediating role in any business dealing, including convergence between the online and offline

environments (Zhang and Wang, 2012; Yahia et al., 2018). It is gaining popularity because of the fame of social networking sites such as Yahoo, Facebook, Instagram, LinkedIn, WhatsApp and Twitter (Liang et al., 2011). The active users of the social networking sites are increasing day by day as ‘Digital in 2017’ reported that 2.8 billion people are now using social media worldwide with the penetration rate of 37 percent (Hootsuite, 2017). Furthermore, the emergence of social networking sites provides an opportunity to businessmen to conduct business activities in an innovative way i.e. social commerce (Yahia et al., 2018).

Social commerce has changed the ways of doing business i.e. business moves from marketplace to market space. It brings substantial changes to business environment and customers’ mind set (Zhang and Benyoucef, 2016). It reshaped the traditional electronic commerce (Hew et al., 2016) by combining the power of social networking with online shopping (Wesson, 2010) and introducing new ways for the marketing of business offerings through social platforms (Turban et al., 2010; Zhang et al., 2015). Social networking sites enable the businessmen and marketers to promote their businesses, products and services to the large audience by using social media i.e. Facebook, Yahoo, WhatsApp, Twitter, Instagram etc. Pakistan has 31 million active social media users with the penetration rate of 16 percent (Hootsuite, 2017). Furthermore, Vision 2025 of Pakistan also focuses on the importance and adoption of technological developments in business activities (Ministry of Planning, Development and Reform, 2015). Therefore, in order to gain competitive edge, it is very important to understand the customers’ behavior and their intentions towards the social commerce.

In the existing research, although, trust contributes a vital role in enhancing online purchase intentions (Heijden et al., 2003; Weisberg et al., 2011; Kim, and Peterson, 2017; Bhandari and Rodgers, 2018). However, little research is found concerning the users’ trust and purchase intentions link within the context of social commerce (Yahia et al., 2018; Lu et al., 2016). Moreover, few studies have focused on trust, social presence, and social commerce purchase intention (Hajli, 2015; Lu et al., 2016). Besides, some researchers have recommended that consumers are majorly influenced by electronic word of mouth-online customer reviews-on social commerce platforms (Hajli, 2015; Ahmad and Laroche, 2017). Moreover, although, different studies are available in Pakistani context that measures the customers’ intention towards e-commerce (Khurshid et al., 2014; Akhlaq and Ahmed, 2015; Rigas and Riaz, 2015; Ahmad et al., 2016) by employing various theoretical lenses i.e. technology acceptance model, theory of reasoned action, theory of planned behavior etc. However, only fewer researchers tried to study the phenomena of social commerce in Pakistani context (Hasan and Fatima, 2012; Talat et al., 2013).

Finally, within this background, none of the studies in existing research has proposed and empirically tested the parsimonious model linking structurally the inter-relationships of trusting beliefs, social presence with customers’ purchase intentions and electronic word of mouth. Furthermore, researchers also claimed that there is lack of empirical work on social commerce, and there is a need to study the phenomena of social commerce by examining the drivers for social commerce in terms of trust, social support and the platform characteristics (Yahia et al., 2018). Therefore, this study aimed to provide in-depth knowledge about the drivers of customers’ intention towards the social commerce in

Pakistani context through the theoretical lens of social presence theory. Theoretically, the current study contributes to a better understanding of the effect of social presence and trusting beliefs on individuals' electronic word-of-mouth and purchase intention towards social commerce. Moreover, practically the study contributes to nurture thriving businesses in social commerce in developing country like Pakistan.

## 2. Review of Literature

### 2.1. Social Commerce

Social commerce (s-commerce) is defined as the commerce in which business activities and transactions are conducted through the social media (Liang and Turban, 2011). S-commerce has changed the ways of doing business as it brings substantial changes to business environment and customers' mind set (Zhang and Benyoucef, 2016; Yahia et al., 2018). It reshaped the traditional electronic commerce (Hew et al., 2016, Mikalef et al., 2017) by combining the power of social networking with online shopping (Wesson, 2010) and introducing new methods for the marketing of business offerings through social platforms (Turban et al., 2010; Zhang et al., 2015). It gained popularity in the field of marketing (Huang and Benyoucef, 2013), because social networks, such as Yahoo, WhatsApp, Twitter, LinkedIn, Instagram, and Facebook, enable the individuals to easily promote their business products and services to the large audience. Social networks also offer an opportunity to the stakeholders to vigorously contribute in value creation process by giving suggestions and feedback. S-commerce incorporates four major attributes in value creation process: (1) individuals, (2) social networks, (3) stakeholders'/ community interactions, and (4) commercial activities (Huang and Benyoucef, 2013). Hence, s-commerce is considered to be combination of social and commercial activities (Liang and Turban, 2011; Zhou et al., 2013; Mikalef et al., 2017).

As compare to e-commerce, s-commerce is relatively new business phenomena but it quickly comes into practice (Kim and Park, 2013; Barnes, 2014). Moreover, according *Internet Retailer's Social Media 500*, the total social network-derived online sales reached at \$3.9 billion (*Top500Guide.com*). Furthermore, Smith (2015) stated that among all the social networks (Facebook, WhatsApp, Twitter, Pinterest, WeChat, Yahoo, LinkedIn, Instagram etc.), Facebook is the leading platform for social commerce that accounts for 64 percent of total social revenue. According to Business Insider (2015), social media enlarged its stake of e-commerce exchange approximately 200 percent between the first quarters of 2014 and 2015. Hence, s-commerce is the hotcake for researchers and no one can ignore the impact of social media.

### 2.2. Social Presence

The idea of social presence is grounded in the social presence theory (Short et al., 1976). Social presence is defined as "the extent to which the social commerce environment enables a customer to establish a personal, warm, intimate and sociable interaction with others" (Zhang et al. 2014). Several authors advocated the multiple dimensions of social presence i.e. social context, interactivity, online communication (Tu and McIsaac, 2002), perception of others, self-projection, social identification (Caspi and Blau, 2008), awareness, affective social presence, cognitive social presence (Shen and Khalifa, 2009),

social presence of web, social presence of interaction, perceptions of others (Lu et al., 2016). In current study, social presence has three sub-domains viz., social presence of web, social presence of interaction, and social presence of others.

Social presence of web refers to the capacity of a website to communicate a sense of friendliness (Gefen and Straub, 2004). Whereas, social presence of interaction is the ability of a website to provide platform to interact with seller. Traditionally, there was no direct interaction held between seller and buyer of e-commerce (Lu et al., 2016). But social commerce enabled the buyers and sellers to interact and to share their views with each other. Through this facility of social commerce, sellers/ producers can convince the buyers towards purchase of products or services. Several researchers suggested that SP of interaction is one of the key dimensions of social presence (Tu and McIsaac, 2002; Caspi and Blau, 2008). Furthermore, Mardsen, (2010) stated that people learn from and be impressed by the perceptions and experiences of others. During online commerce, individuals hardly believe on the information delivered by the online sellers on website (Lu et al., 2016), however, they believe more on the information disclosed by their closed-ones (Cialdini, 2001). If the views of existing customers of social commerce are positive, this will deliver positive signal to others (Chen et al., 2011) and ultimately people will more likely to engage in social commerce. Hence, the above discussed literature leads researchers to draw the following hypotheses:

- **H<sub>1</sub>:** Social presence is positively associated with the experience of online shopping websites.
- **H<sub>2</sub>:** Social presence is positively associated with social commerce purchase intention.

### *2.3. Customers' Experience*

Customers' experience is defined as all direct and indirect cognitive and affective exposure of the individuals to the social commerce, which is related to buying behavior (Klaus and Maklan, 2012). The individuals' experience derives from a set of interactions with e-commerce activities (Gentile, Spiller and Noci, 2007). Clients having good experiences are more confident in their decisions, and therefore are not influenced by the negative views of others i.e. risk perceptions (Simpson, Siguaw and Cadogan, 2008). Several researchers advocated the positive relationship between customers' experience and purchase intention (Kim and Choi, 2013; Sefian et al., 2013). If the social presence of the business is good and attractive, the people will take more interest in browsing the website of the business. Further, this will positively influence the customers' experience and they will more likely to engage in buying behavior. The above discussion leads researchers to draw the following hypothesis:

- **H<sub>3</sub>:** Customers' experience is positively associated with purchase intention.
- **H<sub>4</sub>:** Customers' experience mediates the relationship between social presence and purchase intention.

### *2.4 Trusting Beliefs*

In this study, researchers include four types of trusting beliefs as independent constructs in the research model viz., trust disposition, integrity of seller, competency of seller, and benevolence of seller. Trust disposition can be explained as the extent to which individuals

having belief or faith in humanity and adopting a trusting formula towards others (McKnight et al., 2002; Ridings et al., 2002). Morgan and Hunt (1994) also disclosed that trust is an important factor in the success of e-commerce/ e-business or social commerce. Integrity is the individuals' beliefs that a business makes good faith promises on the superiority of the business offerings (products & services) provided to its customers (McKnight and Chervany, 2001). In the context of social commerce, it is about the SNS consumer's belief that the seller will keep his/ her promises as shown in the social network (e.g. Facebook, WhatsApp, Yahoo) page regarding the quality of business offerings. Competency of seller is defined as the perceptions of individuals about the knowledge, experience, and overall expertise of a seller (Cheung and Lee, 2000). It is the inner ability of a seller that brings customers towards the higher trust on the online vendor/ seller (Lu et al., 2016). Competency is one of the major attributes of trustworthiness (Barber, 1983; Cheung and Lee, 2000; Walter, Mueller and Helfert, 2000; McKnight and Chervany, 2001; Sirdeshmukh et al., 2002; Lu et al., 2016). It is an assessment of the other party (seller) whether he/she is useful for completing the desired goal, or can provide the expected outcomes (Tan and Thoen, 2000). Furthermore, it positively shapes the buyers' trust level on the online seller (Lu et al., 2016). Benevolence refers to the vendors' affection with their consumers. Benevolence is an individual's trust that the seller cares about his/ her promises and is encouraged to act in honest manners (McKnight and Chervany, 2001). In social commerce perspective, it is individuals' belief that the seller cares and concerned in his/ her well-being. Benevolence of seller positively shape the trust in marketplace (Lu et al., 2016). Hence, the overall discussion leads researchers to draw the following hypotheses:

- **H<sub>5</sub>:** Trust disposition is positively associated with trust in marketplace.
- **H<sub>6</sub>:** Integrity of seller is positively associated with trust in marketplace.
- **H<sub>7</sub>:** Competency of seller is positively associated with trust in marketplace.
- **H<sub>8</sub>:** Benevolence of seller is positively associated with trust in marketplace.

## 2.5. *Trust in Marketplace*

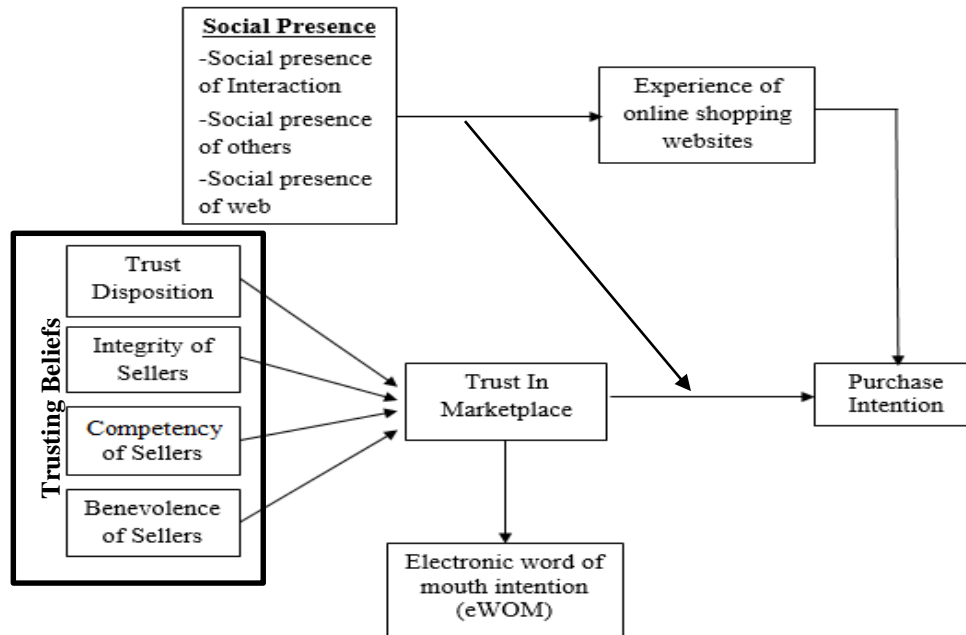
In the context of social commerce, trust in marketplace can be explained as the individuals' believes that the marketplace has honest dealers, fair business rules, procedures, and outcomes (Pavlou and Gefen, 2004). In social commerce, trust plays an important role in buying decision of a customer (Yen, Chang and Chiang, 2014; Akman and Mishra, 2017; Yahia et al., 2018). High trust in marketplace can lead individuals to engage in social commerce (Yen, Chang and Chiang, 2014; Lu, Zeng and Fan, 2016; Hung et al., 2018). Numerous research studies disclosed that there is positive association between trust in marketplace and intention towards social commerce (McKnight and Chervany, 2001; Pavlou, 2003; Lu, Zeng and Fan, 2016; Akman and Mishra, 2017; Yahia et al., 2018). Behavioral intention is an important predictor of individual's actual behavior (Ajzen, 1991). It can be described as the individuals' readiness to engage or not to engage in a particular behavior (Warshaw and Davis, 1985). Specifically, to the context of current study, purchase intention is delineated as the readiness to engage in s-commerce.

Furthermore, if the people have trust in marketplace, they will more likely to disseminate the features and benefits of social commerce to others. This implied that trust in marketplace also has an influence on the electronic word-of-mouth (EWOM). According to Hennig-Thurau et al. (2004), EWOM is the favourable or unfavourable comments or expressions from the stakeholders' side about the business or business offerings via internet. Several marketing researchers highlight the importance of EWOM (Lee et al., 2012; See-To and Ho, 2014). Forman et al. (2008) disclosed that EWOM directly affects the sales of the company. This discussion leads researchers to draw following hypotheses:

- **H<sub>9</sub>**: Trust in marketplace is positively associated with purchase intention.
- **H<sub>10</sub>**: Electronic word-of-mouth is positively influenced by trust in marketplace.

## 2.6. Research Model

In the light of above discussed literature and proposed hypotheses, the researchers developed the following research model (see figure-01). Trusting beliefs (trust disposition, integrity of seller, competency of seller, benevolence of seller) are positively associated with trust-in-marketplace. Furthermore, trust-in-marketplace is positively attached with individuals' intention to engage in electronic world-of-mouth and social commerce purchase intention. Finally, the figure-01 represents that social presence has a positive and direct relationship with individuals' intention towards social commerce and also through the mediation of customers' experience of online shopping websites.



**Figure 1: Research Model**

### 3. Research Methodology

#### 3.1. Sampling & Data Collection

In this study, researchers employed positivist research methodology, whereby a research instrument was adapted in order to collect data from respondents (Hair et al., 2016). The sample of this study included those personalities who are engaged in online shopping. Further, the data was yielded by conducting self-administrated questionnaire based survey and by sending the research questionnaire to the respondents via social media and emails. In addition, purposive sampling techniques was utilized to yield data from the respondents. The rationale for using purposive sampling method is its ability to yield more acute data. Moreover, all the items of the research questionnaire were measured on five point Likert scale (as proposed by Likert, 1932). The researchers collect data from variety of respondents, i.e. teachers, students, managers, assistants, housewives, employees of different businesses etc., from the various cities of Pakistan.

Prior to data collection, the researchers have determined the part of population to be taken as a sample for the study (Ary et al., 2013). Researchers have used the Cochran's formula (Cochran, 1963) to determine the sample size:

$$\text{Sample Size (SS)} = [Z^2 * P * (1 - P)] / C^2$$

Where  $Z$  = Z-value,  $P$  = percentage picking a choice,  $C$  = confidence interval

From this formula the sample of at least 300 can be taken into consideration for effective and reliable results. Besides using Cochran's formula, a sample of 200 respondents or more is considered to be adequate (Anderson and Gerbing, 1988; Kline, 2015).

#### 3.2. Study Instrument

As this study based on the positivist paradigm, where the role of researchers is limited to the data collection and interpretation. The positivist researchers are independent, therefore a research instrument was adapted for data collection and to measure the relationship of study variables. All constructs of this study were measured through multiple items adapted from prior studies (see table-1).

**Table 1: Development of Research Questionnaire**

Construct name	Adapted from	No. of items
Social presence	Gefen and Straub (2004), Caspi and Blau (2008), Hess et al. (2009)	12
Customers' experience	Bart et al. (2005)	3
Purchase intention	Gefen and Straub (2004)	3
Trust-in-marketplace	Pavlou and Gefen (2004)	4
Trust disposition	Gefen and Straub (2004)	6
Integrity of seller	McKnight et al. (2002); Gefen and Straub (2004)	4
Competence of seller	As above	4
Benevolence of sellers	As above	4
Electronic word-of-mouth (EWOM)	Kim et al. (2008)	3



#### 4. Data Analysis

After collecting the data, SPSS and SmartPLS software were used to analyze the data and to evaluate the hypothesized relationships. SPSS software was used for the demographic analysis of the respondents. Further, researchers applied PLS-SEM approach by using SmartPLS software (Ringle et al., 2005) to analyze the yielded data about the study constructs and to evaluate the hypothesized relationships. The rationale for using PLS-SEM approach lies in its ability to evaluate multiple relationships (Hair et al., 2016). Further, PLS-SEM is better approach as compared to CB-SEM (Hair, Hollingsworth, Randolph, and Chong, 2017). In addition, Hair et al. (2017) stated rules of thumb for using choosing PLS-SEM approach as “the measurement philosophy is estimation with the composite factor model using total variance. The research objective is to explain the relationships between exogenous and endogenous constructs. The structural and/or measurement models are complex (many constructs = 6+ and many indicators = 50+).” Further, in SmartPLS software, the data was analyzed at 2 stages: (1) PLS Algorithm, where the multicollinearity statistics, reliability, validity and predictive power of the model were assessed, and (2) Boot-strapping, where the beta-coefficients, standard deviation, t-values and p-values were assessed.

##### 4.1. Demographic Analysis

The table-02 represents all key information about the respondents i.e. gender, age, online shopping experience, and incidence of online shopping. The results revealed that from 306 respondents, 85 were male respondents i.e. 27.78% of the overall sample, while 221 were female covering 72.22% respondents of the whole sample. This implied that Pakistani females are more engaged in online shopping. Further, most of the respondents are from the age group of 25– 30 years old. This revealed that young generation is actively engaged in online shopping. Moreover, the frequency of online shopping of the respondents was also assessed. The results disclosed that most of the respondents engage in online shopping “once in a month” that covers 63.39% participants of the study, 59 respondents engage in online shopping several times in a month, 49 respondents conduct online shopping lesser than once in a month, and only 4 participants involve in online shopping several times in a week that covers only 1.30% respondents (see Table-02). Finally, the researchers examined the trend of most commonly online purchased products viz., clothing and footwear, food and health products, skincare, cosmetics & jewelry, books, computers, mobiles & accessories, and sports equipment/ products. The results revealed that clothing and footwear products were most commonly purchased through online shopping (see Table-2).

**Table 2: Demographic Analysis**

Characteristics	Frequency	Percentage	Cumulative (%)
<b>Gender</b>			
Male	85	27.78	27.78
Female	221	72.22	100
<b>Age</b>			
24 years or below	94	30.72	30.72
25 – 30 years	165	53.92	84.63
31 – 35 years	47	15.36	100
36 – 40 years	0	0	100
41 years or above	0	0	100
<b>Have purchased online</b>			
Yes	300	100	100
No	0	0	100
<b>Incidence of buying online</b>			
Several times a week	04	1.31	1.31
Several times a month	59	19.28	20.59
Once a month	194	63.40	83.99
Less than once a month	49	16.01	100
Never	0	0	100
<b>Online purchased products</b>			
Clothing and footwear	166	54.25	54.25
Food and health products	19	6.21	60.46
Skincare, cosmetics & jewelry	54	17.65	78.10
Books	05	1.63	79.74
Computers, mobiles & accessories	27	8.82	88.56
Sports equipment/ products	0	0	88.56
Others	35	11.44	100

#### 4.2. Testing Multi-Collinearity

Multi-collinearity between the independent variables is assessed through the score of variance inflating factor (VIF). Construct should be considered to have an acceptable level of multi-collinearity if the VIF score is lesser than 5.0 (Hair et al., 2016). The VIF score is obtained by using SmartPLS (Ringle et al., 2005). The VIF score of the study variables ranges from 1.345 (customers' experience) to 2.010 (trust disposition), hence meet the acceptable criteria (see table-03).

**Table 3: Multi-Collinearity Statistics**

First Set		Second Set	
Construct Name	VIF	Construct Name	VIF
Benevolence of Seller	1.670	Customers' Experience	1.345
Competency of Seller	1.877	Trust-in-Marketplace	1.637
Integrity of Seller	1.769		
Trust disposition	2.010		
Social presence	1.658		

#### 4.3. Testing Reliability

The reliability of the data and the latent constructs is measured through the values of Cronbach's alpha, composite reliability and average variance extracted (AVE). These values were evaluated against the recommended criteria i.e. Cronbach's alpha  $\geq 0.70$  (George, 2011), composite reliability  $\geq 0.70$  (Hulland, 1999), and average variance extracted  $\geq 0.50$  (Hair et al., 2016). The values of Cronbach's alpha range from 0.688 (electronic world of mouth) to 0.793 (integrity of seller). Furthermore, the composite reliability score ranges from 0.812 (competency of seller) to 0.877 (customers' experience of online shopping). In addition, the third criteria to reliability test i.e. average variance extracted, ranges from 0.466 (social presence) to 0.781 (customers' experience of online shopping). The statistical results are presented in table-04, which clearly show that approximately all constructs of this study meet the acceptable level of reliability criteria.

**Table 4: Cronbach's Alpha, Composite Reliability and Average Variance Extracted**

Construct Name	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Benevolence of Seller	0.702	0.817	0.529
Competency of Seller	0.696	0.812	0.520
Customers' Experience	0.721	0.877	0.781
Integrity of Seller	0.793	0.866	0.619
Intention towards EWOM	0.688	0.814	0.594
Purchase Intention	0.712	0.840	0.637
Social Presence	0.771	0.840	0.468
Trust Disposition	0.757	0.836	0.509
Trust-in-Marketplace	0.705	0.818	0.530

#### 4.4. Testing Validity

##### 4.4.1 Factor Loadings and Cross Loadings

Constructs validity at indicator level is measured through the factor loadings and cross loadings of the items. The factor loadings of all items of each variable should be greater than 0.60 (Hair et al., 2016). Furthermore, all items of each variable should be considered valid if they share higher loadings to its own parent construct. The factor loadings and cross loadings are presented in table-05, and all items of each construct meet the acceptable level of validity criteria. However, 1 item of customers' experience (CE3), 1 item of trust disposition (TD4) and 6 items of social presence (SPI3, SPI4, SPO2, SPW3, SPW4, SPW5) were removed from the study because of insufficient factor loading.

**Table 5: Factor Loadings and Cross Loadings**

Items	BOS	COS	CE	IOS	EWOM	PI	SP	TD	TIM
BOS1	<b>0.667</b>	0.383	0.365	0.190	0.145	0.272	0.331	0.317	0.365
BOS2	<b>0.804</b>	0.491	0.508	0.366	0.170	0.365	0.482	0.456	0.405
BOS3	<b>0.727</b>	0.335	0.597	0.344	0.110	0.436	0.469	0.369	0.301
BOS4	<b>0.705</b>	0.394	0.469	0.512	0.142	0.488	0.509	0.461	0.395
COS1	0.455	<b>0.702</b>	0.235	0.469	0.118	0.355	0.380	0.399	0.275
COS2	0.360	<b>0.687</b>	0.213	0.446	0.113	0.381	0.278	0.362	0.229
COS3	0.365	<b>0.725</b>	0.266	0.343	0.071	0.317	0.412	0.435	0.216
COS4	0.417	<b>0.767</b>	0.241	0.353	0.001	0.423	0.437	0.517	0.330
CE1	0.604	0.298	<b>0.894</b>	0.348	0.157	0.420	0.441	0.449	0.405
CE2	0.561	0.284	<b>0.874</b>	0.338	0.161	0.430	0.365	0.384	0.382
IOS1	0.314	0.354	0.251	<b>0.762</b>	0.184	0.472	0.419	0.459	0.366
IOS2	0.438	0.468	0.297	<b>0.851</b>	0.136	0.499	0.475	0.524	0.370
IOS3	0.403	0.438	0.413	<b>0.820</b>	0.116	0.525	0.473	0.468	0.412
IOS4	0.391	0.497	0.243	<b>0.707</b>	0.105	0.445	0.483	0.453	0.317
EWOM1	0.097	0.070	0.104	0.148	<b>0.760</b>	0.197	0.184	0.057	0.152
EWOM2	0.169	0.088	0.173	0.220	<b>0.728</b>	0.190	0.169	0.105	0.149
EWOM3	0.178	0.072	0.142	0.079	<b>0.821</b>	0.116	0.117	0.083	0.272
PI1	0.408	0.452	0.313	0.379	0.227	<b>0.724</b>	0.512	0.520	0.411
PI2	0.415	0.372	0.417	0.507	0.122	<b>0.836</b>	0.506	0.516	0.422
PI3	0.458	0.415	0.417	0.590	0.135	<b>0.830</b>	0.495	0.505	0.409
SPI1	0.389	0.363	0.291	0.465	0.182	0.444	<b>0.674</b>	0.410	0.401
SPI2	0.422	0.376	0.289	0.512	0.197	0.456	<b>0.749</b>	0.418	0.347
SPO1	0.423	0.273	0.369	0.367	0.043	0.375	<b>0.660</b>	0.447	0.343
SPO3	0.376	0.318	0.222	0.244	0.184	0.352	<b>0.604</b>	0.404	0.548
SPW1	0.413	0.435	0.308	0.348	0.119	0.447	<b>0.645</b>	0.621	0.403
SPW2	0.498	0.393	0.377	0.438	0.077	0.500	<b>0.758</b>	0.483	0.426
TD1	0.494	0.453	0.441	0.502	0.217	0.532	0.525	<b>0.766</b>	0.477
TD2	0.448	0.450	0.359	0.484	0.055	0.532	0.512	<b>0.754</b>	0.447
TD3	0.392	0.430	0.239	0.308	0.059	0.422	0.369	<b>0.570</b>	0.258
TD5	0.349	0.451	0.301	0.452	0.011	0.449	0.564	<b>0.793</b>	0.430
TD6	0.309	0.382	0.313	0.375	0.036	0.362	0.431	<b>0.661</b>	0.428
TIM1	0.403	0.267	0.354	0.321	0.292	0.357	0.395	0.386	<b>0.740</b>
TIM2	0.325	0.237	0.312	0.318	0.187	0.350	0.376	0.381	<b>0.751</b>
TIM3	0.349	0.267	0.293	0.317	0.115	0.350	0.417	0.475	<b>0.743</b>
TIM4	0.396	0.306	0.333	0.395	0.177	0.441	0.517	0.453	<b>0.677</b>

Note: BOS= benevolence of seller, COS= competency of seller, EWOM= electronic word-of-mouth, IOS= integrity of seller, CE= customers' experience, PI= purchase intention, SP= social presence (SPI= social presence of interaction, SPO= social presence of others, SPW= social presence of web), TD= trust disposition, TIM= trust-in-marketplace

#### 4.4.2 Fornell-Larcker Criterion

Furthermore, the data validity at construct level is assessed through the Fornell-Larcker test (Fornell and Larcker, 1981). The Fornell-Larcker test was applied by using SmartPLS. Construct should be considered to fulfill validity criteria if it shares higher score to itself rather than to other constructs (Hair et al., 2016). Results of this study clearly show that all constructs meet the validity criteria (see table-06). The Fornell-Larcker score ranges from 0.684 (social presence) to 0.884 (customers' experience) (see table-06).

**Table 6: Fornell-Larcker Criterion**

Constructs	BOS	COS	CE	IOS	EWOM	PI	SP	TD	TIM
BOS	<b>0.728</b>								
COS	0.558	<b>0.721</b>							
CE	0.660	0.329	<b>0.884</b>						
IOS	0.491	0.555	0.388	<b>0.787</b>					
EWOM	0.198	0.097	0.180	0.172	<b>0.771</b>				
PI	0.535	0.517	0.481	0.619	0.201	<b>0.798</b>			
SP	0.617	0.528	0.457	0.586	0.190	0.632	<b>0.684</b>		
TD	0.557	0.601	0.472	0.604	0.104	0.644	0.680	<b>0.713</b>	
TIM	0.510	0.373	0.446	0.468	0.267	0.519	0.592	0.585	<b>0.728</b>

Note: BOS= benevolence of seller, COS= competency of seller, EWOM= electronic world-of-mouth, IOS= integrity of seller, CE= customers' experience, PI= purchase intention, SP= social presence (SPI= social presence of interaction, SPO= social presence of others, SPW= social presence of web), TD= trust disposition, TIM= trust-in-marketplace

#### 4.5. Predictive Power of the Model

The predictive power of the relational model is assessed through the values of R-square. The values of R-square for customers' experience is 0.209, trust in marketplace= 0.406, electronic world of mouth= 0.071, and for purchase intention, the value of R-square is 0.463 (see table-07; figure-04). These values can be interpreted as 0.67= substantial, 0.33= moderate, and 0.19= weak (Henseler et al., 2009; Chin, 2010; Hair et al., 2016). The results show that the parsimonious model of this study has good predictive power (i.e. 46.3 percent).

**Table 7: Predictive Power of the Model**

Construct Name	Value of R-square	Interpretation
Customers' Experience	0.209	Moderate
Trust in Marketplace	0.406	Moderate
Electronic World of Mouth	0.071	Weak
Purchase Intention	0.463	Moderate

#### 4.6. Hypotheses Testing

##### 4.6.1 Direct Effects

The researchers employed PLS-SEM to evaluate the hypothesized relationships among the study variables. Beta-coefficients were obtained in order to assess the intensity and the nature of relationship between the study variables. The sign of beta-coefficients shows the direction of relationship (positive/ negative) among the study variables. Beta-coefficients range from 0.104 (competency of seller → trust in marketplace) to 0.521 (social presence → purchase intention) (see table-08). Furthermore, t-values and p-values show the

significance of the hypothesized relationships. The statistical results have supported the proposed hypotheses (see table-08).

**Table 8: Hypotheses Testing**

Hypotheses No.	Relationships	Path Coefficients	Standard Deviation	T-Values
H <sub>1</sub>	SP → CE	0.457	0.054	8.394***
H <sub>2</sub>	SP → PI	0.521	0.063	8.263***
H <sub>3</sub>	CE → PI	0.242	0.069	3.524***
H <sub>5</sub>	TD → TIM	0.410	0.073	5.585***
H <sub>6</sub>	IOS → TIM	0.147	0.073	2.022**
H <sub>7</sub>	COS → TIM	0.104	0.061	1.702*
H <sub>8</sub>	BOS → TIM	0.268	0.061	4.389***
H <sub>9</sub>	TIM → PI	0.168	0.057	2.956**
H <sub>10</sub>	TIM → EWOM	0.267	0.060	4.461***

Note: BOS= benevolence of seller, COS= competency of seller, EWOM= electronic world-of-mouth, IOS= integrity of seller, CE= customers' experience, PI= purchase intention, SP= social presence (SPI= social presence of interaction, SPO= social presence of others, SPW= social presence of web), TD= trust disposition, TIM= trust-in-marketplace  
 \* p<0.05, t= 1.965; \*\* p<0.01, t=2.58; \*\*\* p<0.001, t= 3.310; based on t(4999), percentile 95 % confidence interval, one-tailed test

#### 4.6.2 Mediation Analysis

In order to examine the mediation effect, researchers followed the approach of previous research (Iacobucci, Saldanha, Deng, 2007; Blanco-Oliver, Veronesi and Kirkpatrick, 2016). The significance of indirect effect is tested through variance accounted for (VAF) score. This score was calculated by adding direct and indirect effect and dividing by total effect. The VAF score showed that the mediation effect is very limited (VAF= 17.44 percent, see table-09).

**Table 9: Results of Mediating Effect through VAF Approach**

Total effect of SP on PI		Direct effect of SP on PI		Indirect effect of SP on PI		
$\beta$	<i>t-value</i>	$\beta$	<i>t-value</i>	Mediator Construct	Point Estimate	VAF (%)
0.634	14.891***	0.521	8.486***	Customers' Experience	0.111	17.44

Note: SP= social presence, PI= purchase intention  
 \*\*\* p<0.001, t= 3.310; based on t(4999), percentile 95 % confidence interval, one-tailed test

Furthermore, the mediation is also assessed through the Baron and Kenny (1986) approach (see table-10). According to this approach, the direct and indirect effects were assessed through Smart-PLS [see Figure-2(a), Figure-2(b), Figure-2(c)]. The first regression was run between the social presence and customers' experience, the second regression was run between customers' experience and purchase intention and the third regression was

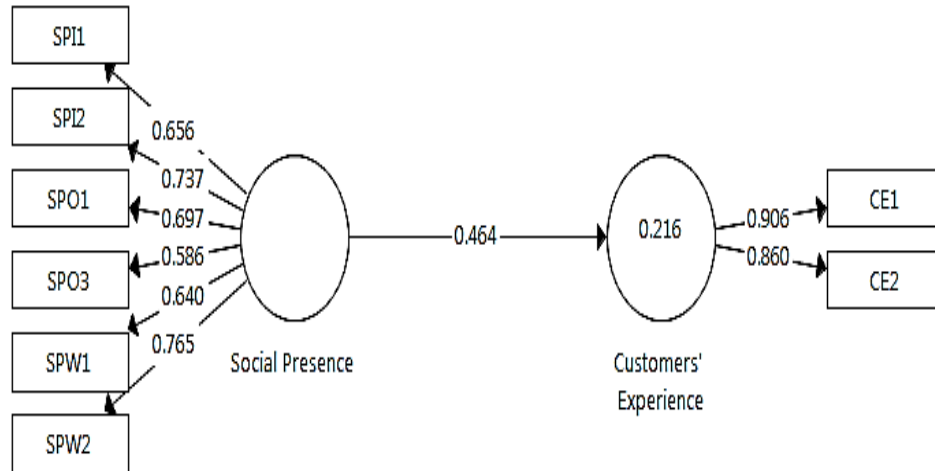
performed between social presence and purchase intention. The results showed that all regressions were proved significant ( $\beta = 0.464$ ,  $t = 8.741$ ,  $p < 0.001$ ;  $\beta = 0.483$ ,  $t = 8.903$ ,  $p < 0.001$ ;  $\beta = 0.634$ ,  $t = 14.836$ ,  $p < 0.001$ , respectively). Furthermore, the integrated model was run (see figure-3) and the results represent that with the mediation of customers' experience, all relationships were remained significant (see table-10, regression-4) and showed good predictive power (44.6 percent). This implied that customers' experience positively and partially mediates the relationship between social presence and individuals' intention towards social commerce (see table-10), hence proved hypothesis-4 of present study.

**Table 10: Mediation Analysis**

Regressions	Relationships	Path Coefficients	T-values	R-square (percent)
Regression-1	SP → CE	0.464	8.741***	21.6
Regression-2	CE → PI	0.483	8.903***	23.4
Regression-3	SP → PI	0.634	14.836***	40.2
Regression-4	SP → CE	0.457	8.366***	44.6
	CE → PI	0.242	3.426***	
	SP → CE → PI	0.521	8.263***	
Note: SP= social presence, CE= customers' experience, PI= purchase intention *** p<0.001, t= 3.310; based on t(4999), percentile 95 % confidence interval, one-tailed test				

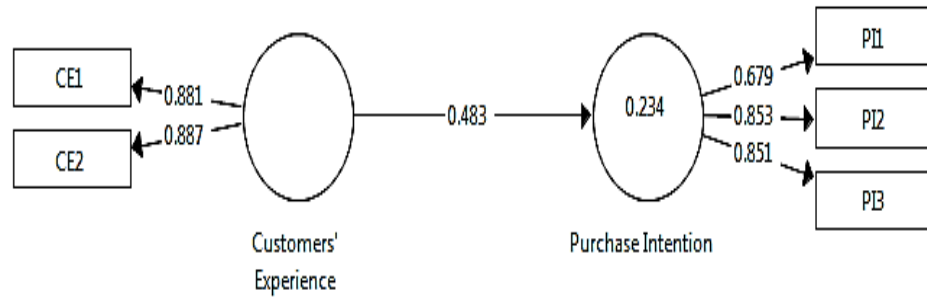
#### 4.7. Graphical Representation of PLS-SEM Results

Figure-2(a) is the graphical representation of the direct association between social presence and customers' experience. Furthermore, figure-2(a) represents that social presence is positively and significantly associated with customers' experience (path coefficient= 0.464; R-square= 21.6 percent).



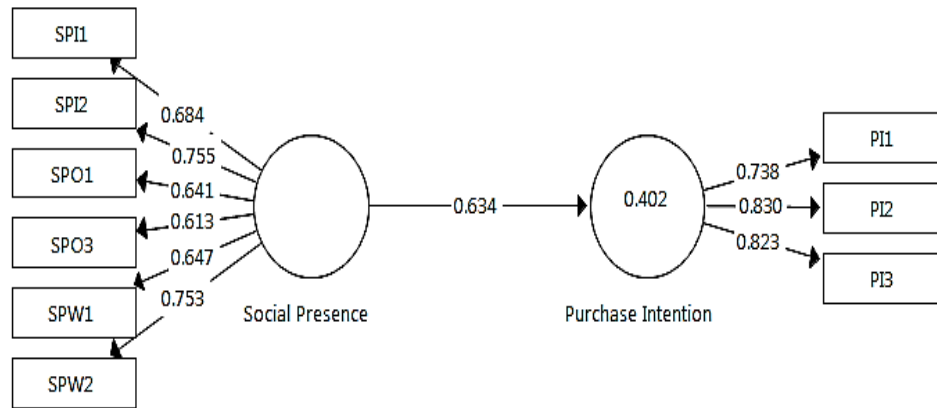
**Figure-2(a): Association between Social Presence and Customers' Experience**

Furthermore, customers' experience is positively and significantly associated with the social commerce purchase intention [see figure-2(b); path coefficient= 0.483; R-square = 23.4 percent).



**Figure-3(b): Association between Customers' Experience and Purchase Intention**

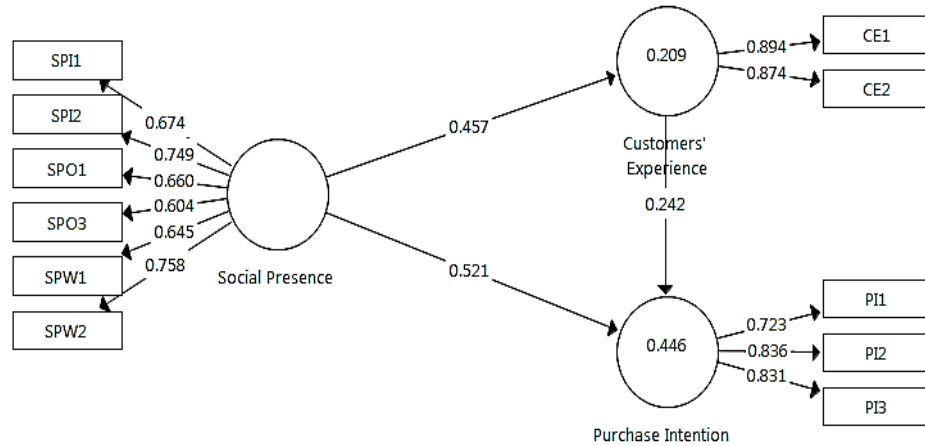
Moreover, the figure-2(c) graphical represents the total effect of social presence on social commerce purchase intention (path coefficient= 0.634, R-square= 40.2 percent).



**Figure-2(c): SEM Model for Total Effect of Social Presence on Purchase Intention**

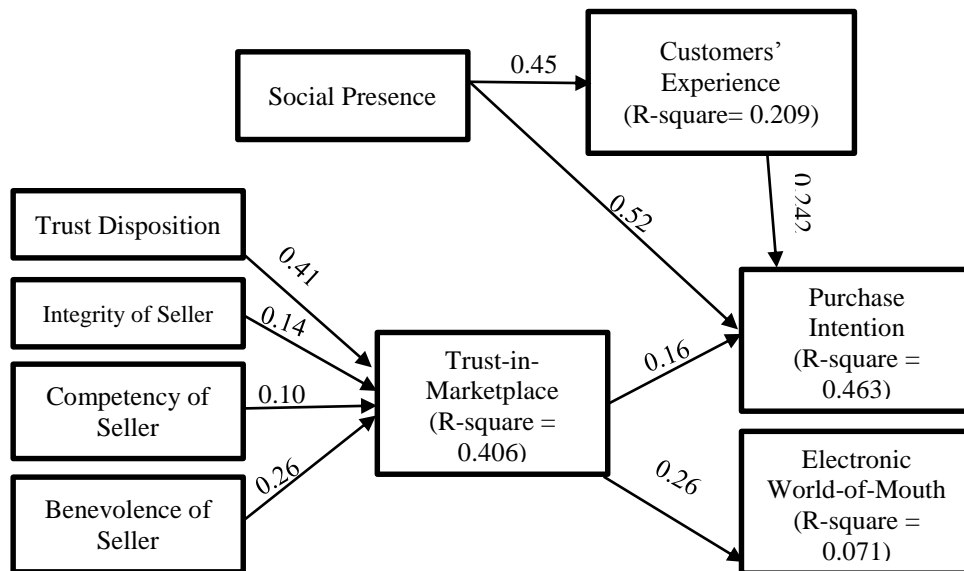
In addition, figure-03 graphically represents the SEM results of association between social presence and purchase intention in the presence of customers' experience. The figure-03 shows that social presence has the significant influence on customers' experience (path coefficient= 0.457, R-square= 20.9 percent), and social commerce purchase intention (path coefficient= 0.521, R-square= 44.6 percent) respectively. However, with the mediation of customers' experience, the strength of relationship between social presence and purchase intention reduced (path coefficient= 0.521) and the predictive power increased (R-square= 44.6 percent). This implied that customers' experience partially mediates the relationship between social presence and social commerce purchase intention (see figure-03).





**Figure 3: SEM Model-Social Presence, Purchase Intention Link in the Presence of Customer Experience**

The figure-04 shows the outer loadings of the multiple items of the constructs, path coefficients and values of R-square for overall effects. The figure-04 represents that trust disposition, integrity of seller, competency of seller and benevolence of seller collectively explain 40.6 percent variance in trust-in-marketplace. Furthermore, trust-in-marketplace, social presence and customers' experience collectively predict 46.3 percent variance in social commerce purchase intention.



**Figure 4: SEM Model for Overall Effects**

## 5. Discussion and Conclusion

The underlying objective of this study was to evaluate the customers' intention towards social commerce purchase. The empirical results of this study revealed the positive relationship between social presence and customers' experience with social commerce ( $\beta = 0.457$ ,  $t = 8.394$ ,  $p < 0.001$ ) and between social presence and individuals' intention to engage in social commerce ( $\beta = 0.521$ ,  $t = 8.486$ ,  $p < 0.001$ ). This implied that if the social presence of online available products is attractive and effective, the customers more likely to engage in social commerce purchase. Further, the customers' experience positively and significantly influences the customers' intention towards social commerce purchase ( $\beta = 0.242$ ,  $t = 3.524$ ,  $p < 0.001$ ). The customers having good experiences were more likely to engage in social commerce purchase (Kim and Choi, 2013; Sefian, Jaini, Sharudin and Abdullah, 2013). Therefore, the companies having online shopping centers should always try to reduce the interruptions during online shopping and try to make online shopping easy and friendly for the people in order to positively shape their intention towards social commerce. Moreover, the findings of the study confirm the partial mediation of customers' experience between social presence and individuals' intention to engage in social commerce (see table-9, table-10), hence proved  $H_1$ ,  $H_2$ ,  $H_3$  and  $H_4$  of the present study. The statistical results of the study confirm the positive impact of trust disposition, integrity of seller, competency of seller, and benevolence of seller on trust in marketplace ( $\beta = 0.410$ ,  $t = 5.585$ ,  $p < 0.001$ ;  $\beta = 0.147$ ,  $t = 2.022$ ,  $p < 0.01$ ;  $\beta = 0.104$ ,  $t = 1.702$ ,  $p < 0.05$ ;  $\beta = 0.268$ ,  $t = 4.389$ ,  $p < 0.001$ , respectively). These four determinants viz., trust disposition, integrity of seller, competency of seller, and benevolence of seller, proved as good predictors of trust in marketplace i.e. R-square = 40.6 percent. This implied that if the seller has good level of trust disposition, the buyers will have more trust in market place. In addition, moral soundness of the seller will also increase the trust of customers on marketplace. Further, the competencies/ abilities of the seller to fulfil his/her promises will increase the trust in marketplace. Last but not least, the inclination by the seller to do benovolent acts will boost the level of trust of the customers on the marketplace. These results are in line with the findings of numerous researchers (McKnight and Chervany, 2001; McKnight et al., 2002; Ridings et al., 2002; Sirdeshmukh, Singh and Sabol, 2002; Lu, Fan and Zhou, 2016). Further, trust in marketplace positively and significantly influence the customers' intention towards the social commerce ( $\beta = 0.168$ ,  $t = 2.956$ ,  $p < 0.01$ ). This meant that if the individuals have positive perceptions and trust on social commerce, they will more likely to engage in social commerce (McKnight and Chervany, 2001; Pavlou, 2003; Lu, Zeng and Fan, 2016; Akman and Mishra, 2017). People feel hesitant to engage in social commerce, if they have negative perception about marketplace (Lu, Zeng and Fan, 2016). Trust is an important construct that positively shape the individuals' intention towards social commerce (Yen, Chang and Chiang, 2014; Lu, Zeng and Fan, 2016; Yahia et al., 2018). Therefore, the social commerce based marketplaces should reduce the complexities, take legal action against fraudulent sellers, and make safe business environment. If the marketplace successfully wins the trust of people, this will lead towards the high usage of social commerce. Trust in marketplace can enhance the individuals' willingness to participate in online shopping, reduce risk perceptions (Chiles and McMackin 1996; Gefen,

2000; Hung et al., 2018). In addition, trust in marketplace will also increase the electronic word of mouth (Nisbet, 2006). Empirical results of the study revealed that trust in marketplace positively and significantly influences the intention to engage in EWOM ( $\beta=0.267$ ,  $t= 4.461$ ,  $p< 0.001$ ), however the predictive power is limited (R-square= 7.1 percent). This implied that if the customers have trust on the social commerce marketplace, they will share the experiences and benefits of using social commerce to others (Lee et al., 2012; See-To and Ho, 2014). Furthermore, Chu and Kim (2011) also disclosed the similar findings. This meant that trust in marketplace will ultimately proliferate the electronic word of mouth and motivate the people towards the social commerce.

### 5.1. Theoretical Implications

In Pakistan, researchers paid little attention to the phenomena of social commerce, however the use of social commerce is at peak level in Pakistan now. This study fills up the gap of lack of research on social commerce in Pakistan and offers meaningful insightful to the academicians regarding the emerging phenomenon of social commerce and the role of trust in purchase intention. The current study evaluates the role of trust in marketplace in order to measure the individuals' intention towards social commerce by taking the sample of Pakistani people. The results revealed that trust is an important element of individuals' intention towards social commerce (McKnight et al., 2002; Lu et al., 2016). The findings of this study will have long-term impacts on e-commerce, e-business, social commerce, marketing and consumers' behavior research as it provides the basis for developing empirical research on social commerce in Pakistan. The research model of this study can be used to measure the persons' intention towards other mode of electronic business. In addition, this study upgrades our knowledge on how trust in marketplace and social presence of a business through trusting beliefs and customers' experience respectively impact the buyers' intention towards social commerce. Besides that, this study also adds value to the existing literature by exploring how the trust in marketplace influences the eWOM of a product.

### 5.2. Practical Implications

The current study also offers some managerial implications. The results of this study suggest that the feeling of friendliness and affectionate in social commerce platforms-upsurges individuals' intention towards social commerce. WhatsApp and Facebook have newly introduced GIF buttons to improve the expressions of feelings in the social network sites. Consequently, if the social commerce providers (sellers) add these attractive tools into their social commerce pages/ website, this may enrich social presence. Furthermore, Bente, Rüggenberg, Krämer and Eschenburg (2008) stated that online businesses could improve the feeling of social presence in the platform by offering people with their avatars. Furthermore, the companies having online shopping centers should always try to reduce the interruptions during online shopping and try to make online shopping easy & friendly for the people in order to positively shape their intention towards social commerce. The social commerce based marketplaces should reduce the complexities, take legal action against fraudulent sellers, and make safe business environment. Finally, the policy makers should always focus on how to win the trust of people. Definitely this will upsurge the customers-based and sales volume of social commerce. Trust in marketplace is a serious

concern- particularly in the context of social commerce and it plays a paramount role in rising the individuals' intention towards social commerce. People will more likely to engage in social commerce if they have more trust on social platform (Hung, Yu and Chiu, 2018). Therefore, businesses who were offering social commerce should try to win the trust of customers by carefully managing the trusting beliefs viz., trust disposition, integrity of seller, competency of seller and benevolence of seller. Furthermore, they should always attempt to leave positive signal in the marketplace through electronic word-of mouth (Kim and Park, 2013).

### 5.3. Limitations of This Study and Future Research Directions

This study will serve as foundation for future research in the context of social commerce, however, it also has some limitations. First of all, the researchers focused on some factors of social commerce purchase intention viz., social presence, customers' experience, trust in marketplace, electronic word of mouth, however other factors such as willingness to co-create with social commerce, perceived usefulness, social influence, awareness, price of goods, quality of goods, delivery time etc. are not the part of this study. Future research studies should focus on these factors. Secondly, the majority of the participants of this study were the students from different universities of Pakistan. The students do not represent the majority of population in Pakistan, therefore we cannot generalize the findings of the current study. We suggest that future research studies should collect data from the participants of different age group. In addition, researchers used survey questionnaire to collect data from the respondents, however, other data collection techniques such as, semi-structured interviews can also be used to evaluate the intention of the individuals. Another fruitful avenue for future research studies is to investigate the impacts of trust in marketplace and EWOM in different cultural contexts. As Li et al. (2009) stated "the Internet is a global medium, but its content is local to each country." Such exploration will be valuable for the academicians and policy makers in the understanding of role of culture in social commerce purchase intention.

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