### Chapter 42

# The Effects of National Culture on Social Commerce and Online Fashion Purchase Intention

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#### **ABSTRACT**

This chapter investigates the effects of national culture on social commerce and in turn, online fashion purchase intention. Using a deductive approach, hypotheses were developed that sit within the context of shopping for fashion products online. A quantitative research instrument was developed to test for difference between Chinese and British online fashion consumers. Results show that national culture has a significant influence on social commerce engagement, with Chinese participants found to be greatly influenced by their social group when shopping online. The study also found that purchase intention is positively influenced by social commerce engagement across both cultures. As this study argues that global fashion consumers are not homogenous in their shopping habits, fashion brands are advised to acknowledge cultural difference across markets to ensure an optimal shopping experience. Investment in website localisation using local expertise should increase purchase intention in overseas markets.

#### INTRODUCTION

In a general move towards user-generated content (UGC) on the web, social-commerce has emerged as an important driving force in online shopping (Hajli & Sims, 2015). This falls within Web 2.0, where 'social media has become a powerful channel for initiating online purchases' (Wang, Lau & Gong, 2016). It has become increasingly important for fashion retailers who trade online to improve their understanding of social commerce, as the satisfaction of shoppers' social needs can lead to many benefits such as greater expenditure and longer time spent shopping (Kang & Park-Poaps, 2011). As customers now have multiple channels of retail to choose from, such as physical stores, online, mobile and social shopping, there is

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a growing body of research emerging around how these channels are adopted, used and which factors are affecting purchase decisions (McCormick *et al.*, 2014). In this study, social commerce is defined as 'the online buying and selling activities initiated via social media, which entails business transactions through either social networks or on e-commerce websites' (Ng, 2013, p. 609).

Shopping for fashion products has traditionally been viewed as an inherently social activity (Funk, 2008). Whilst in-store shopping has been described as a largely social experience, e-commerce is said to fulfill functional needs and repeat purchasing (McCormick et al., 2014), with Hassanein and Head (2007) describing online shopping as anonymous and automated. This implies that online shopping is more utilitarian than physical retailing, with the latter appearing to meet hedonistic purchasing desires more effectively (Babin et al.,1994). However, some retailers have found that well designed websites providing enhanced customer experience can create a hedonistic service experience, particularly if social interaction features are incorporated (Kim & Kim, 2004; Ha & Stoel, 2012). The term social commerce was introduced in 2005 (Wang & Zhang, 2012) and has since been used to describe a wide remit of online activity - the phrase may be used interchangeably with social shopping or social business, which at a simplistic level is the merging of social activity with commercial activity; this includes website features such as customer reviews, interaction with brands on social media websites or apps and online communities (McCormick et al., 2014; MacGrath & McCormick, 2013). Funk (2008) touches on the phenomenon as social commerce started to emerge in the literature, describing it as a way for brands to encourage shoppers to rate products, share opinions with peers and compare tastes with a group of friends. Certainly, the rise in popularity of social media is viewed as the cornerstone in the advancement of social commerce, allowing interactions to take place both on a retailer's website and social media platforms due to the consumer desire to seek opinions from peers, often employing greater trust in other users than the fashion brand itself (Hew et al., 2016; Wolny & Mueller, 2013). In addition, the development of social commerce has also been attributed as a major contributor to the growth of the e-commerce sector, however the exact impact on fashion retailer's online revenues remains inconclusive (Huang & Benyoucef, 2015).

Despite being a 'hot topic' social commerce is currently defined as an under-researched area (Hew et al. 2016). Although developments in this area are still in the nascent stage, researchers have recently started to explore a variety of aspects of social commerce. Thus far, studies have concentrated on design features of social commerce platforms (Huang & Benyoucef, 2015; Magrath & McCormick, 2013), building brand loyalty through social commerce (Zhang, Benyoucef & Zhao, 2015; Hew et al. 2016) and unique forms of social commerce such as group buying in China (Zhang & Tsai, 2015). The ability to utilize customer data through social customer relationship management (CRM) has also been given attention (Choudhury & Harrigan, 2013). This range of contexts for exploration show how much potential social commerce holds and the various territories of online marketing it can span, including areas such as psychology, national culture and economic situations (Wang & Zhang, 2012). Crucially however, the overriding feature that compels brands to introduce these sorts of online interaction is the opportunity it can provide as a way to overcome the absence of a personal touch in e-commerce; the absence of which could be a potential deterrent to the growth of online shopping (Hassanein & Head, 2007).

One aspect of this topic that is starting to emerge as a promising research field is the influence of national culture on usage of social commerce technology. The Asian context has been featured in recent articles (Lee & Phang, 2015; Liu *et al.*, 2016) and China in particular has been described as ten years ahead of the western world when it comes to both social media and e-commerce, namely due to the fact that native firms recognised the importance of integrating social features to web platforms from the onset

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