



**Masters dissertation in marketing BUS5000W**

The impact of culture on trust and purchase intention in social commerce shopping behaviour

School of Management Studies University of Cape Town

**Prepared for:**

Dr James Lappeman

**Prepared by:**

Jo Esterhuizen

SYFJOA001

Submitted in fulfillment of the requirements for the degree of Master of Commerce in Marketing at the University of Cape Town.

The copyright of this thesis vests in the author. No quotation from it or information derived from it is to be published without full acknowledgement of the source. The thesis is to be used for private study or non-commercial research purposes only.

Published by the University of Cape Town (UCT) in terms of the non-exclusive license granted to UCT by the author.



**SCHOOL OF MANAGEMENT STUDIES**

**UNIVERSITY OF CAPE TOWN**

**BUS5000W**

**DECLARATION REGARDING PLAGIARISM**

By indicating my signature on this page, I agree to the following:

1. I know that using another person's ideas and pretending that they are one's own constitute plagiarism. I am aware of the potential penalties for this misdemeanour.
2. This project is my own work.
3. I have not allowed, and will not allow, anyone to copy this work with the intention of passing it off as his/her/their own work.

J. Esterhuizen

18 December 2018

Signed by candidate

Signature of Student

Date

## **ABSTRACT**

Social commerce has evolved through the advancement of web 2.0 technologies, the significant rise of smartphone usage, and the increased popularity of social media platform usage such as social networking sites. Social networking sites have unique social sharing capabilities, which enable consumers to research products and services and make informed shopping decisions based on the trust developed in their online community. Brands acknowledge the importance of building and gaining consumer trust, because trust is a significant determinant for successful online transactions. Trust is equally essential to social commerce success, and is established as a positive influence on purchase intention. Considering the impact of trust on the consumer decision-making journey online, how this trust develops and what moderates this trust are of equal significance to brands and academics. Despite the plentiful research conducted in social commerce, the moderating role of culture on trust in social commerce is questioned, and the uncertainties of its impact within an emerging country is evident through insufficient academic research.

The research design used in this study was cross-sectional in nature. Quantitative data were collected from a sample of social commerce users through an online survey administered on a branded Facebook page. Adopting an integrative social commerce framework by Kim and Park (2013) and the national cultural framework of Hofstede, the findings demonstrated a positive relationship between trust and purchase intention, and no moderation of culture on trust. Reinforcing previous academic research on the significance of trust in social commerce – further recommendation is given on the exploration of culture on trust and purchase intention.

## **Keywords**

e-commerce, social commerce, social media, social networking sites, social commerce constructs, online trust, culture in marketing, purchase intention, cultural dimensions, consumer behaviour, Theory of Reasoned Action.

## TABLE OF CONTENTS

TABLE OF CONTENTS .....	iii
LIST OF ACRONYMS .....	ix
1.1 INTRODUCTION .....	1
1.2 BACKGROUND .....	1
1.3 PROBLEM STATEMENT.....	3
1.4 RESEARCH QUESTIONS AND OBJECTIVES .....	4
1.4.1 Research Objectives.....	4
1.5 METHODOLOGY.....	5
1.5.1 Research design and research method .....	5
1.5.2 Target Population and sampling .....	5
1.5.3 Data collection and analysis .....	6
1.5.4 Ethical considerations.....	6
1.6 LIMITATIONS .....	7
1.7 THEORETICAL AND MANAGERIAL CONTRIBUTIONS .....	7
1.8 STRUCTURE OF THIS DISSERTATION .....	7
1.9 CHAPTER SUMMARY .....	7
2.1 INTRODUCTION .....	9
2.2 E-COMMERCE .....	9
2.2.1 Defining e-commerce.....	9
2.2.2 E-commerce in South Africa .....	11
2.2.3 E-commerce barriers and opportunities in South Africa.....	12
2.3 SOCIAL COMMERCE.....	14
2.3.1 Defining social commerce.....	14
2.3.2 Differentiating social commerce from traditional e-commerce .....	16
2.3.3 Types of social commerce .....	16

2.3.3.1 Social network-driven sales .....	16
2.3.3.2 Peer recommendations .....	16
2.3.3.3 Social shopping websites.....	16
2.3.3.4 Group shopping websites .....	17
2.3.3.5 Other.....	17
2.3.4 Social Commerce Attributes .....	17
2.3.4.1 Social Interactions.....	17
2.3.4.2 Social support .....	18
2.3.4.3 Social presence .....	19
2.3.5 Social commerce constructs .....	20
2.3.5.1 Ratings and reviews.....	21
2.3.5.2 Recommendations and referrals .....	22
2.3.5.3 Forums and communities.....	22
2.4 CHAPTER CONCLUSION.....	23
2.5 CHAPTER SUMMARY .....	24
3.1 INTRODUCTION .....	25
3.2 TRUST IN COMMERCIAL EXCHANGE .....	25
3.2.1 Defining trust.....	25
3.2.2 Trust in general commercial relationships.....	25
3.2.3 Online trust in e-commerce.....	26
3.2.3.1 Institution-based trust.....	26
3.2.3.2 Disposition to trust .....	27
3.2.3.3 Cognitive and emotional trust .....	28
3.2.4 Online trust in social commerce .....	28
3.2.5 Online trust antecedents .....	29
3.2.5.1 Social commerce characteristics.....	29
3.2.5.2 Firm size and reputation .....	30

3.2.5.3 Firm characteristics and behaviour .....	30
3.2.5.4 Information quality.....	31
3.2.5.5 Transaction safety and communication.....	31
3.2.5.6 Economic feasibility .....	31
3.2.5.7 Word-of-mouth referrals.....	32
3.2.5.8 Branded online community as moderator .....	33
3.2.6 Website design and information system .....	33
3.2.7 How trust influences purchase intention in online environments.....	34
3.3 CHAPTER CONCLUSION.....	35
3.4 CHAPTER SUMMARY .....	35
4.1 INTRODUCTION .....	37
4.2 DEFINITION OF CULTURE.....	37
4.3 HOFSTEDE’S NATIONAL CULTURAL FRAMEWORK.....	38
4.3.1 Hofstede’s national cultural dimensions.....	38
4.3.2 Applications of Hofstede’s model.....	40
4.3.3 Hofstede’s application to South Africa .....	41
4.4 CULTURE AND ONLINE TRUST .....	43
4.5 CHAPTER CONCLUSION.....	44
4.6 CHAPTER SUMMARY .....	45
5.1 INTRODUCTION .....	46
5.2 THEORETICAL FRAMEWORK.....	46
5.2.1 The TRA Framework.....	48
5.2.2 Explaining and evaluating the TRA.....	49
5.3 HYPOTHESIS DEVELOPMENT.....	51
5.3.1 Trust and purchase intention in social commerce .....	51
5.3.2 Long-Term Orientation (LTO) .....	51
5.3.3 Uncertainty Avoidance (UAI).....	52

5.3.4 Individualism (IDV) and Collectivism (COL) .....	53
5.3.5 Masculinity (MAS) .....	54
5.3.6 Power Distance .....	54
5.4 THE FINAL MODEL .....	55
5.5 CHAPTER CONCLUSION .....	56
5.6 CHAPTER SUMMARY .....	56
6.1 INTRODUCTION .....	58
6.2 RESEARCH PARADIGM .....	58
6.3 RESEARCH METHODOLOGY .....	58
6.3.1 Quantitative approach .....	58
6.4 RESEARCH DESIGN .....	59
6.5. DATA COLLECTION .....	59
6.5.1 Target population .....	59
6.5.1.1 Sample population .....	60
6.5.2 Sampling .....	60
6.5.2.1 Sample size .....	61
6.5.2.2 Questionnaire .....	61
6.5.2.3 Questionnaire design .....	61
6.5.2.4 Questionnaire layout .....	63
6.5.2.5 Pre-testing the questionnaire .....	64
6.5.2.6 Questionnaire administration .....	65
6.6 FIELDWORK .....	65
6.7 DATA ANALYSIS .....	66
6.7.1 Data preparation process .....	66
6.7.2 Descriptive statistics .....	66
6.7.2.1 Scale reliability and validity .....	67
6.7.3 Inferential statistics .....	67

6.8 ETHICAL CONSIDERATIONS .....	67
6.9 CONCLUSION.....	67
6.10 CHAPTER SUMMARY .....	68
7.1 INTRODUCTION .....	69
7.2 DESCRIPTIVE STATISTICS .....	69
7.2.1 Respondents.....	69
7.2.1.1 Realisation Rate.....	69
7.2.2 Mean and standard deviation of the data.....	70
7.3 SCALE RELIABILITY AND VALIDITY .....	73
7.3.1 Scale Reliability.....	73
7.3.2 Construct validity.....	73
7.3.2.1 Convergent Validity.....	74
7.3.2.2 Discriminant validity .....	74
7.3.3.3 Correlation Matrix.....	76
7.3.3.4 Summary of the reliability and validity of the constructs in the study .....	76
7.4 INFERENTIAL STATISTICS.....	77
7.4.1 Assumption of normality test for trust and purchase Intention .....	77
7.4.1.1 Kolmogorov-Smirnhov .....	77
7.4.1.2 Skewness and Kurtosis test.....	78
7.5 PEARSON'S CORRELATION COEFFICIENT .....	78
7.5.2 LINEAR REGRESSION FOR TRUST AND PURCHASE INTENT .....	79
7.5.2.1 Simple Linear Regression Assumptions .....	79
7.6 THE MODERATING EFFECT OF CULTURE.....	81
7.6.1 The moderation of PDI on the relationship between trust and purchase intention.....	81
7.6.2 The moderation of IDV on the relationship between trust and purchase intention.....	84

7.6.3 The moderation of UAI on the relationship between trust and purchase intention.....	85
7.7 SUMMARY OF THE FINAL MODEL.....	87
7.8 CONCLUSION.....	87
7.9 CHAPTER SUMMARY .....	87
8.1 INTRODUCTION .....	89
8.2 REVIEW OF THE VALIDITY AND RELIABILITY OF THE MODEL .....	89
8.3 MAIN FINDINGS AND CONCLUSIONS.....	90
8.3.1 Hypothesis 1 .....	90
8.3.2 Hypothesis 2 .....	91
8.3.3 Hypothesis 3 .....	92
8.3.4 Hypothesis 4 .....	92
8.3.5 Hypothesis 5 .....	92
8.3.6 Hypothesis 6 .....	93
8.4 IMPLICATIONS .....	93
8.4.1 Theoretical implications .....	93
8.4.2 Managerial implications .....	94
8.5 LIMITATIONS OF THE STUDY .....	94
8.6 RECOMMENDATION FOR FUTURE STUDIES .....	95
8.7 CHAPTER SUMMARY .....	96
REFERENCES .....	97

## LIST OF ACRONYMS

ANOVA	:	Analysis of Variance
AVE	:	Average
B2B	:	Business to Business
B2C	:	Business to Consumer
BOP	:	Bottom of the Pyramid
CA	:	Cronbach Alpha
COL	:	Collectivism
CR	:	Composite Reliability
eWOM	:	Electronic Word-of-Mouth
IDV	:	Individualism
IMBP	:	Integrated Model of Behavioural Prediction
IS	:	Information System
KS	:	Kolmogorov-Smirnov
LSM	:	Living Standard Measure
LTO	:	Long-Term Orientation
MAS	:	Masculinity
MMR	:	Moderated Multiple Regression
PDI	:	Power Distance
SME's	:	Small and Medium Enterprises
SNS	:	Social Networking Sites
SPSS	:	Statistical Package for the Social Sciences
SSW	:	Social Shopping Websites

TAM	:	Technology Acceptance Model
TPB	:	Theory of Planned Behaviour
TRA	:	Theory of Reasoned Action
UAI	:	Uncertainty Avoidance
UCT	:	University of Cape Town
UGC	:	User Generated Content

## LIST OF FIGURES

Figure 2.1: Increase in global e-commerce sales in billions from 2014-2021 (Statista, 2018).....	10
Figure 2.2: Social commerce adoption model, showing the social commerce constructs of Hajli (2015).....	21
Figure 3.1: Social commerce model depicting the effects of social commerce characteristics on trust and trust performance .....	29
Figure 4.1: Cultural scores of South Africa, India and the United Kingdom .....	43
Figure 5.1: The national cultural dimensions used in this study .....	48
Figure 5.2: Theory of reasoned action .....	50
Figure 5.3: The research model with the hypotheses.....	55
Figure 7.1: The summated scale measuring trust .....	70
Figure 7.2: The summated scale measuring Purchase Intention.....	71
Figure 7.3: The summated scale measuring Power Distance .....	71
Figure 7.4: The summated scale measuring Individualism.....	72
Figure 7.5: The summated scale measuring Uncertainty Avoidance.....	72

## LIST OF TABLES

Table 2.1: The top 12 e-commerce websites by market share in South Africa in 2017 .....	12
Table 2.2: Alternative social commerce definitions in academic research.....	15
Table 2.3: Terms and definitions found in the e-commerce and social commerce chapter. ....	23
Table 4.1: 2018 Mid-year population estimates for South Africa .....	42
Table 5.1: Types of theoretical frameworks used in social commerce .....	47
Table 5.2: Conceptual Model construct and variable definitions.....	56
Table 6.1: Measurement scales .....	64
Table 7.1: Descriptive statistics of the data .....	70
Table 7.2: Showing the Cronbach Alpha values for each construct .....	73
Table 7.3: Showing the square root of the average variance extracted before Masculinity and Long-Term Orientation are removed .....	74
Table 7.4: The construct's convergent validity where the average must be greater than 0.5 .....	75
Table 7.5: Showing the Cronbach Alpha of Masculinity .....	75
Table 7.6: Showing the Cronbach Alpha of Long-Term Orientation .....	76
Table 7.7: The Correlation matrix .....	76
Table 7.8 The Kolmogorov-Smirnov testing normality of the data .....	77
Table 7.9: Examining the Skewness and Kurtosis Test results .....	78
Table 7.10: Examining the Skewness and Kurtosis Test results .....	79
Table 7.11: Showing the significance of the model .....	79
Table 7.12: Showing the model summary of the trust variation in purchase intention .....	80
Table 7.13: Showing the relationship between trust and purchase intention .....	80

Table 7.14: ANOVA demonstrating the moderation of PDI on trust and purchase intention..... 82

Table 7.15: Showing the fit of the model ..... 82

Table 7.16: Examining interaction effects of PDI on trust and purchase intention.... 83

Table 7.17: ANOVA Table demonstrating the moderation of IDV on trust and purchase intention ..... 84

Table 7.18: Showing the model is a good fit..... 84

Table 7.19: Examining interaction effects of IDV on trust and purchase intention.... 85

Table 7.20: ANOVA Table demonstrating the moderation of UAI on trust and purchase intention ..... 86

Table 7.21: Showing overall model significance..... 86

Table 7.22: Table examining interaction effects of UAI on trust and purchase intention..... 86

## **LIST OF APPENDICES**

Appendix A: Questionnaire .....	108
Appendix B: Chapter 7 workings.....	123
Appendix C: Ethics Committee approval letter.....	133
Appendix D: HI-TEC Sports data collection approval letter.....	134

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 INTRODUCTION**

This research addresses the moderating effect of culture on the relationship between trust and purchase intention in social commerce shopping behaviour. Understanding the effect of culture on trust and purchase intention, is fundamental to building the core base of global social commerce theory. In addition, marketing practitioners require empirically tested knowledge in order to continue shaping their e-commerce offerings. The moderating effect of culture is particularly relevant in social commerce, with its capacity to tailor messages and to seamlessly spread into multiple heterogeneous markets.

This introductory chapter begins with a background to the study and surveys why the topic is of significance to both emerging social commerce theorists and marketing practitioners. The chapter then includes an articulation of the research problem based on gaps in the current literature. The research questions and objectives then clarify the focus of the study, specifically around the impact of culture on the relationship between trust and purchase intention in social commerce. A brief overview of the methodology, ethical considerations and limitations follow, ending with an outline of the dissertation.

The next section will provide a broad background to the study that will be further expanded upon in the literature review chapters.

#### **1.2 BACKGROUND**

Social commerce is a subset of electronic commerce, with roots entrenched in social media and web 2.0 technologies (Lin, Li and Wang, 2016). The term is generally defined as the buying and selling of products and services facilitated by social networking sites such as Facebook and Instagram (Kim and Park, 2013). The growth of social commerce has been a natural development, following the extensive growth in social media. This trajectory has followed a similar track, as observed in the adoption of the telephone (telesales) and television (telemarketing). Social commerce has evolved from traditional e-commerce, which focuses on one-way browsing and buying (Wang and Yu, 2017) – to an enabling collaborative communication between consumers on social media sites, facilitating the decision-making journey. Recent reports indicate the commercial impact of social commerce. In 2015, the United States spent \$10.81 billion on social media, which increased to \$16.54 billion in 2017, and in 2018 a turnover of \$19.31 billion is predicted (Statista, 2018). To further illustrate the power of social commerce on social networking sites, Forbes (2018) lists Facebook as the 77<sup>th</sup> most valuable public company in the world

– taking in \$44.6 billion in revenue from brand advertising worldwide. In light of the above discussion, brands invest in social commerce to facilitate consumer engagement around their brand product offering through online communities. This socially interactive participation in online communities is an essential part of social commerce success (Hajli *et al.*, 2017a).

Social media online communities are where consumers willingly engage with brand stories and product information through the unique tools specifically designed to facilitate consumer engagement (such as the ‘like’ and ‘share’ buttons on the social networking site Facebook). This results in a more trustworthy and sociable online transacting platform (Lu and Zhou, 2016). Online communities are useful marketing tools for brands (Hajli *et al.*, 2017a), as 97% of consumers are influenced by other consumers’ product recommendations and reviews on social media (Ahmad and Laroche, 2016). This reduces the uncertainty about the brand offering, which increases consumer trust – which in turn increases purchase intention (Ahmad and Laroche, 2016). In social commerce, trust is also built through the warmth, sense of belonging and sociability of the platform, which contributes to promoting and building trust (Hajli *et al.*, 2014a, 2014b).

The high risk associated with purchasing online, coupled with the interactive nature of social networking sites, demonstrates the significance of trust as being essential to social commerce success (Wang and Emurian, 2005; Kuan and Bock, 2007). Given the significance of online trust, researchers continue to explore online trust barriers (Hajli, 2015; Cyr, 2013). Notably, Kim and Park (2013) argued that if social commerce characteristics (reputation, size, information quality, transaction safety, communication, economic feasibility) are presented positively to the consumer, they will be likely to trust the social commerce site. Hajli *et al.* (2015) report failed social commerce strategies due to consumer insecurities around privacy and security issues through information exchange. In addition, Kim and Park (2013) highlight fraud, inaccurate information, and poor customer service as causing distrust in social commerce in Korea (Kim and Park, 2013). Local studies also support these challenges. Safa and von Solms (2015) found that South African customer perception of security, payment reliability and navigation had a positive relationship with online trust, and online security was listed as high risk and untrustworthy. Currently in South Africa, 30.81 million of the total population of 57.06 million are online users – of which 30.81 million are active online users (Kemp, 2018). Sixteen (16) million online users access social networking sites through their mobile phones. To serve South Africa’s unique audience needs and capitalise on this untapped market – mobile must be positioned first (Hillock, 2017). Mobile is sitting at a high penetration of 153% (Kemp, 2018), and shows the enormous opportunity for brands to capitalise on communications through mobile first strategies. Continued investments in infrastructure and payment options will increase the accessibility of online mobile users, and increase the opportunity to market online through social media and e-commerce (Hoogduijn, 2018).

Previous studies raised questions on cross-cultural differences and the effects of these difference in online trust (Doney and Cannon, 1997; Jarvenpaa, Tractinsky and Vitale 2000, Pavlou and Chai, 2002; Gefen and Heart, 2006). Globalisation of online commercial activity has exposed businesses to cross-cultural consumers and prompted the need to understand the influence of culture on their online interactions, trust, and purchase intentions. In more recent studies, culture was found to moderate the relationship between website design features and trust, as well as between trust and purchase intention (Ganguly *et al.*, 2010). In studying the differences in trust across cultures toward website design (Cyr, 2008; Hussanein, Head and Ju, 2009), it was found that website elements that are appropriate for one culture may not have the same positive effect on another culture. Yoon (2009) found that selected cultural dimensions affect e-commerce acceptance, while Hallikainen and Laukkanen (2018) confirmed that national culture and trust are interrelated.

Given the connection between culture and trust in general online environments, the natural progression was for researchers to seek a better understanding of these constructs in social commerce. In a social commerce literature review, online trust was shown to differ across cultures, and culture has been found to impact on consumer purchase decision-making (Zhang and Benyoucef, 2016). Ng (2013) found that different cultures have varying values, which have different effects on social network user behaviour and that individuals from different cultures are likely to influence behaviour differently. The unequal influence exerted on members' behaviour in social commerce, was attributed to the differences in the national cultural dimensions (Ng, 2013). Culture is considered to affect human behaviour (Sabiote *et al.*, 2011) and defined as "the collective programming of the mind which distinguishes the members of one group or category of people from those of another" (Hofstede, 1991:5). Hofstede's national cultural dimensions are employed to help understand the influence of each cultural value. For success in social commerce, brands will need to understand these cultural effects on the formation of trust and purchase intention, in order to segment online strategies.

While recent background literature makes strong connections between online trust and culture in a social commerce environment, there are still unexplored gaps. The following section outlines the problem statement that underpins this dissertation.

### **1.3 PROBLEM STATEMENT**

The study responds to the questions raised on the effects of culture on online trust (Kim and Park, 2013; Zang and Benyoucef, 2016; Lu *et al.*, 2016; Hassanein, Head and Ju, 2009; Gefen and Heart, 2006). To date, there is insufficient research examining the moderating effects of culture on the relationship between trust and purchase intention within a social commerce context. Studies that have sought to identify a connection between culture and online trust have either only tested a

limited number of cultural variables (Ng, 2013; Choe, 2003; Cyr, 2013; Sabiote, Frias and Castaneda, 2012), or have only tested culture at a national level, when other authors have done so at an individual level (Yoon, 2009; Hallikainen and Laukkanen, 2018). Furthermore, of those studies that have tested all cultural variables and measured culture at the individual level – it has been within in the context of e-commerce, and not social commerce. In addition to the above, by establishing whether culture effects trust, relevant insight from this research can be used to assist brands in emerging markets on how to adopt cultural differences in their business strategies.

#### **1.4 RESEARCH QUESTIONS AND OBJECTIVES**

The above problem statement considered, the following primary research question was derived:

“Does culture moderate the relationship between trust and purchase intention in social commerce shopping behaviour?”

In addition, the following secondary research questions were distilled:

- Does trust positively and significantly affect purchase intention in social commerce?
- Does Power Distance (PDI) negatively and significantly moderate the relationship between trust and purchase intention in social commerce?
- Does Individualism (IDV) negatively and significantly moderate the relationship between trust and purchase intention in social commerce-?
- Does Masculinity (MAS) positively and significantly moderate the relationship between trust and purchase intention in social commerce?
- Does Uncertainty Avoidance (UAI) positively and significantly moderate the relationship between trust and purchase intention in social commerce?
- Does Long-Term Orientation (LTO) positively and significantly moderate the relationship between trust and purchase intention in social commerce?

In order to directly address the research questions, a set of research objectives were formulated, and are listed in the following section.

##### **1.4.1 Research Objectives**

Underpinned by the research question, the primary objective of the study is:

“To determine the effects of culture on the relationship between trust and purchase intention in social commerce.”

Secondary objectives were derived from the primary objective. These are to determine whether;

1. Trust positively and significantly affects purchase intention in social commerce.
2. Power distance (PDI) negatively and significantly moderates the relationship between trust and purchase intention in social commerce.
3. Individualism (IDV) negatively and significantly moderates the relationship between trust and purchase intention in social commerce.
4. Masculinity (MAS) positively and significantly moderates the relationship between trust and purchase intention in social commerce.
5. Uncertainty Avoidance (UAI) positively and significantly moderates the relationship between trust and purchase intention in social commerce.
6. Long-Term Orientation (LTO) positively and significantly moderates the relationship between trust and purchase intention in social commerce.

## **1.5 METHODOLOGY**

The methodology section describes the steps followed to answer the research question. In outlining the steps, the section gives an overview of the adopted research design, methodology, target population, and sampling techniques. In addition, the measurement instrument and analysis tools are also outlined. Full details of the methodology are found in chapter 6.

### **1.5.1 Research design and research method**

To obtain the information needed to answer the research problem, this study used a conclusive descriptive research design, which was specifically a single cross-sectional design (Malhotra, 2010). Single-cross sectional design is when one sample of respondents is drawn from the target population at one given time only (Malhotra, 2010). Conclusive studies are usually deductive in nature and research objectives in these types of studies are achieved via testing hypotheses (Adam, Khan and Raeside, 2014)

### **1.5.2 Target Population and sampling**

The target population is the opinions needed to satisfy the objectives of the research (McDaniel and Gates, 2015). The target population for the study is South African males and females, aged 18-65 years, who have actively engaged in social commerce at least once before. To account for sampling frame error, the respondents were screened with questions in the data-collection phase (Malhotra, 2010).

The sampling frame is a representative sample of the desired target population characteristics (McDaniel and Gates, 2015). In this study it was the HI-TEC South Africa Facebook page members. The study used a non-probability sampling technique to sample the respondents. The type of non-probability sampling technique used was convenience sampling, because respondents are in the right place at the right time (Malhotra, 2010). However, Facebook operates in such a way that for the survey to be seen by the audience, the post was boosted (the post must be advertised to reach the page audience). Furthermore, the nature of Facebook is such that individuals can share information from a branded page to their page, which can then affect the target population. The sample size was 541 respondents, which adhered to the rule of Chin (1998) and aligned with previous studies of a similar nature. For example, Ng (2013) had 284 participants in her study that tested intention to purchase on social commerce websites across cultures, and Yoon (2009) had 270 participants in order to test the effects of national culture on consumer acceptance of e-commerce.

### **1.5.3 Data collection and analysis**

The survey method in the form of a questionnaire was employed to collect primary data, using closed-ended questions requiring a 'yes' or 'no', as well as seven-point Likert scales. The questionnaire was designed to assess to what degree national cultural dimensions influence trust in social commerce shopping behaviour. The online survey was administered as an online questionnaire through Qualtrics. The respondents were asked to participate voluntarily with a 20% discount incentive (Kim and Park, 2013). The discount voucher was made available to all respondents, whether they completed the survey or not – to ensure that it did not manipulate the results in any way.

The analysis of the final data was conducted through two methods. First, to assess the strength of the relationship between trust and purchase intention a bivariate correlation was conducted– specifically Spearman's Rank correlation. To test the moderation of the cultural dimensions a regression analysis was conducted. Multiple regression analysis is used to predict the value of a variable based on the value of two or more other variables. In addition, it can determine the overall fit (variance explained) of the model including the contribution of each of the predictors to the total variance explained. While structural equation modelling (SEM) – specifically, the Partial Least Squared (PLS), is a popular method in social commerce studies (Kim and Park, 2013; Yoon, 2009), multiple regression analysis is conceptually and practically similar to PLS-SEM (Hair, Ringle, Sarstedt, 2011:140), and has been applied to other online studies (Sheldon, 2016; Jarvenpaa, Tractinsky and Vitale, 2000).

### **1.5.4 Ethical considerations**

A pilot test was first conducted to ensure that all questions were presented clearly and unambiguously, thus ensuring that the questions in the questionnaire did not confuse any respondents. In the online questionnaire, it was clearly stated that the

respondent's privacy was respected through anonymity, the reasons for the research were clearly explained, and approval by the UCT Ethics board was highlighted (Appendix A). Furthermore, access to the confidential data was restricted to the principal investigator and to researchers directly involved in the research before, during and after the research period. However, respondents were given access to the researchers' contact details, in order to receive results of the study.

## **1.6 LIMITATIONS**

This study does have its limitations. First, it assessed consumer intentions rather than their behaviour. Second, the sample was taken from a branded Facebook page, which posed drawbacks that are further discussed in the conclusion. Third, the sample was not representative of all South African social commerce shoppers – which may limit the generalisability of this study. Fourth, the type of product /service used in this study (footwear, apparel and accessories), and sold by the brand, could perhaps determine different results than if other products were considered. Furthermore, Hofstede's national cultural dimensions are highlighted as a limitation in chapter 3.

## **1.7 THEORETICAL AND MANAGERIAL CONTRIBUTIONS**

Theoretically, this study extends the current literature on culture, trust and social commerce and contributes to knowledge by providing a framework that measures all five cultural dimensions, measured at the individual level in an emerging market. The study reinforces prior research on the positive relationship between trust and purchase intention, demonstrating no change in effects within an emerging economy. The results emphasise the positive effect of trust on purchase intentions in social commerce, and therefore brands should focus on establishing trust in their social networking communities to help facilitate purchase intention (Kim and Park, 2013). Managers should monitor engagement on their social networking sites through social commerce constructs, such as ratings and reviews, where social interactions, social support and social presence contribute toward the development of trust.

## **1.8 STRUCTURE OF THIS DISSERTATION**

The study proceeds as follows: Chapter two begins the literature review, where social commerce is examined to give context to the research question. Chapter three and chapter four examine online trust and culture in marketing respectively. Chapter five presents the conceptual model, which is followed by the methodology in chapter 6. Finally, the results are examined in chapter 7, which is followed by the final chapter that concludes the study – presenting the academic and professional contributions of the study, as well as the limitations providing recommendations for further research.

## **1.9 CHAPTER SUMMARY**

Chapter one introduces the executive summary of this study, social commerce, the importance of trust in social commerce, and the moderating role of culture in online

trust. The gap in the research is addressed: there is a lack of research on the moderating role of culture at the individual level within a social commerce context. The next chapter begins with the literature review, which comprises a discussion around e-commerce and social commerce, online trust, and culture in marketing.

## CHAPTER 2

### SOCIAL COMMERCE

#### 2.1 INTRODUCTION

This chapter presents an analysis of the existing literature on social commerce, as the foundation from which the research question was derived. Research pertaining to social commerce consumer behaviour has increased over the past decade (Kim and Park, 2013; Hajli, 2015, 2017a,b,c; Ng, 2013). The chapter starts by defining e-commerce as the broad phenomenon of which social commerce is a part. This is followed by a contextualisation of e-commerce in South Africa (the location of the study). The chapter then specifically defines social commerce – which includes defined constructs and characteristics from the existing literature.

This chapter builds on the definition of e-commerce by exploring the subset of social commerce (Wang and Emurian, 2005). Social commerce is introduced through examining various social commerce definitions from previous studies and an extended definition in the context of a branded Facebook Page is adopted (Zhang and Benyoucef, 2016). Thereafter, the foremost differences between e-commerce and social commerce are discussed in the context of online brand communities, where the co-creation of content and the participation and interaction of members builds trust. The literature to follow aims to illustrate the important foundational studies (Doney and Cannon, 1997; Jarvenpaa *et al.*, 2000; Gefen and Straub, 2004), which play a significant role in current social commerce research papers (Hajli, 2014, 2015, 2017a,b,c; Ng, 2013).

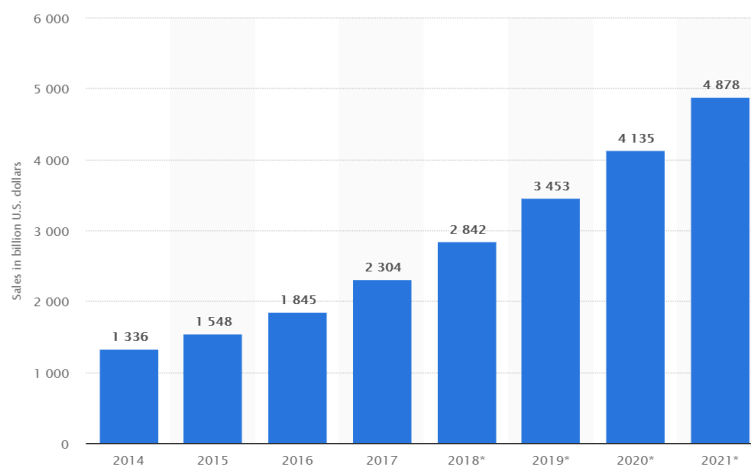
#### 2.2 E-COMMERCE

##### 2.2.1 Defining e-commerce

De Klerk and Kroon (2005) describe e-commerce as a broad use of electronic networks such as the internet for the exchange of information and the purchasing and selling of online products and services, and for buying and selling products and services. Contributing to this is the progressive development of technology that meets the needs of consumer expectations. The technological advancement of the internet led to the beginnings of e-commerce, when, in 1979, online transaction processing was enabled between consumers and businesses. There are many different types of online business models, but the most recognised classifications of e-commerce, which describes online retail activities, are called business to consumer (B2C) and business to business (B2B). B2C commerce is when online retail stores sell products to the consumer. B2B commerce pertains to online business conducted between two firms, and this would apply when a firm's consumer is another business such as accounting software. With the continued advancements of web 2.0, e-commerce shifted to hand-held devices such as tablets and mobile phones, and this is called mobile commerce. Mobile commerce enables

consumers to access the internet through their mobile phones without physically plugging into the internet, like one has to with a desktop computer. Mobile commerce enables consumers to shop using their phones, allowing access to brand and product information and branded e-commerce websites – thus completely changing the consumer purchase journey.

Figure 2.1 (below) gives a visual depiction of the steady progression in global e-commerce sales. Sales reached US\$2.3 trillion in 2017, around 11.9% of total retail sales worldwide – with an expected growth to 17.5% by 2021. This shows that e-commerce is one of the fastest evolving industries worldwide, even in developing countries (Yoon, 2009). In 2018, there are over 3.6 billion internet users – up 7.5% from 2017 out of a current population of 7.5 billion (Bloomberg, 2017). Consumers of e-commerce want efficiency, speed, and instant gratification. New functionalities and tools have changed most aspects of e-commerce, increasing e-commerce reach through safer online payment gateways with more efficient logistics and improved user navigation design. Cyr (2013) maintains that different website designs appeal to different cultures. In fact, these cross-cultural differences are more apparent with globalisation and the prolific technological advancements of web 2.0. As a result of globalisation, new cultural hybrids have emerged (Shavitt, Lee and Torelli, 2008), which have been the focus of many studies (Park, Gunn and Han, 2012; Cyr, 2008, 2013; Choe, 2004; Pavlou and Chai, 2002; Gefen and Heart, 2006).



**Figure 2.1: Increase in global e-commerce sales in billions from 2014-2021 (Statista, 2018)**

### **2.2.2 E-commerce in South Africa**

According to opinion leaders in the South African market, the digital commerce sector is seeing explosive growth driven by high mobile adoption, increases in investment in the multi-channel retail strategy, as well as overcoming barriers with better infrastructure and delivery improvement (Hoogduin, 2018). In Table 2.1 (below) the top 12 e-commerce websites in South Africa are listed and Takealot are well ahead of the competition. Takealot ([www.takealot.com](http://www.takealot.com)), the online market leader in South Africa, had a turnover of R2.3 billion in 2017, processing over R2.9 million transactions to over 1 million customers. Takealot's Black Friday sales grew from R1 million in 2011 to R56 million in 2016. Chief Marketing Officer of Takealot, Julie-Ann Walsh, maintains that shopper convenience, exceptional delivery service, and optional payment methods, are some of the competitive advantages that contribute to Takealot's success (Walsh, 2017).

Vincent Hoogduijn, CEO of e-commerce at *Media24*, which owns online fashion retailer Spree – describes an optimistic South African e-commerce market with existing online retailers achieving double-digit growth year-on-year (Hoogduijn, 2018). While online sales account for 1% of total retail sales in South Africa, the online industry is predicting a climb to 4% by 2021 (Hoogduijn, 2018). Positioning themselves as South Africa's most fashionable online shopping website, Spree was up 88% based on year-on-year sales in June 2017. A key investment area is attracting customers through inspiring content such as fashion story-telling, fashion tips, look books, and constant innovation such as the recently launch of visual search that allows the consumer to upload an image and find results that closely match this image (Hoogduijn, 2018).

**Table 2.1: The top 12 e-commerce websites by market share in South Africa in 2017**

Shop	Market Share
Takealot	12.5 %
Apple App Store	5.5%
Pick n Pay	5.1%
Woolworths	2,70%
Sportsmans Warehouse	2.2%
Incredible Connection	2%
Exclusive Books	1.8%
HomeChoice	1.6%
Amazon	1.5%
Mr Price	1.5%
Netflorist	1.5%
Spree	1.4%

*Source:* The 2017 Euromonitor International research report.

Credible traditional retailers such as Woolworths, Checkers and Pick n Pay have launched e-commerce websites, helping instill consumer confidence in online shopping. Woolworths Head of Digital, Liz Hillcock, asserts that more than 50% of website traffic came from mobile, and mobile transactions achieved 100% growth (Hillock, 2017). Woolworths attribute their online growth to technology and consumer brand experience investment. Launching free WiFi to over 175 stores around the country allows consumers to browse as they shop. Woolworths are also trialing an “in-store stock locator”, which will increase consumer satisfaction through more convenient shopping. Furthermore, the Woolworths App connects the consumer to instant branded content, special deals, store location services providing store information, the tracking of rewards, and transaction history. However, Woolworths serves the upper income market that only accounts for a small percentage of the South African population, and for e-commerce to reach its full potential in the country it needs to be as democratic as possible.

### **2.2.3 E-commerce barriers and opportunities in South Africa**

Despite the exciting transformation of e-commerce globally, e-commerce in South Africa is still in an early yet rapid growth stage and is trailing behind its global counterparts. Of the current South African population, 51% are online (Kemp, 2018).

The e-commerce sales for USA are achieving 13% of its total retail sales, while China is up at 15% (Statista, 2018). South Africa is only around 1%. Market leaders claim the barriers inhibiting e-commerce growth are limited internet access in South Africa, limited credit card access, as well as inadequate delivery processes which are not suited for the unique living patterns of most South Africans. Furthermore,

lack of exposure to the internet has resulted in poor online education and unfamiliarity with the platform. Unfamiliarity leads to uncertainty and distrust in the platform as a whole.

Safa and von Solms (2015) found that customer perception of security, payment reliability and navigation had a positive relationship with online trust. As per the online shopping statistics explored above, distrust of online payments and distrust of online websites are barriers to shopping online for South Africans. Safa and von Solms (2015) found that online security was listed as an area of concern for South African online shoppers, as consumer information is stored and this is seen as high risk and untrustworthy. These factors, among others, have contributed to slow e-commerce adoption. In a paper by de Klerk and Kroon (2005) on *e-commerce adoption in South African businesses*, it was recommended that businesses stay actively involved and use advanced technologies to overcome the limitations faced in the country (de Klerk and Kroon, 2005) – especially with reference to countries that are less developed and have strong traditions, such as Tanzania.

In a study by Kabanda and Brown (2017) on e-commerce adoption by Small and Medium Enterprises (SMEs) in Tanzania, SME owners had limited internet access and consequently little practice with websites and e-commerce. Furthermore, the barriers to e-commerce adoption were legitimised by the culture of face-to-face bargaining. As an important part of the business process, e-commerce would eliminate this deep-rooted practice (Kabanda and Brown, 2017) – posing as a threat rather than as a beneficial medium to business owners. Kabanda and Brown (2017) highlight two important variables. First, trust is an essential component to online retail success, and second, people from different cultures perceive things differently and culture moderates the trust.

To serve South Africa's unique audience needs and capitalising on this untapped market – mobile must be positioned first (Hillock, 2017). Mobile is sitting at a high penetration of 153% (Kemp, 2018), and therefore adopting this strategy will help address current accessibility barriers. Mobile penetration statistics for South Africa show the enormous opportunity for brands to capitalise on communications through mobile first strategies. Currently in South Africa, 30.81 million of the total population of 57.06 million are online users – of which 30.81 million are active online users (Kemp, 2018). Sixteen (16) million online users access social networking sites through their mobile phones. Continued investments in infrastructure will increase the accessibility of online mobile users, and increase the opportunity to market online through social media and e-commerce (Hoogduijn, 2018). Furthermore, according to Kabanda and Brown (2017) and Iglesias-Pradas *et al.* (2013), trust needs to be built to help overcome risk perceptions such as privacy and security concerns. Other studies such as Safa and von Solms (2015) recognise these risk perceptions and assert that due to the lack of physical contact in e-commerce, consumers have predetermined ideas about security threats. The perception of security, such as a

reliable payment system, is believed to improve customer trust and develop e-loyalty – which then leads to repurchasing (Safa and von Solms, 2015).

This study builds on the above discussions and themes raised – focusing on trust, culture and online shopping behaviour in the context of social commerce. Trust is a critical component for online success and different individuals demonstrate different levels of trust in e-commerce (Hallikainen and Laukkanen, 2018).

## **2.3 SOCIAL COMMERCE**

### **2.3.1 Defining social commerce**

Social commerce is most simply described as a form of online business which combines e-commerce with social media (Kim and Park, 2013). Table 2.2 (below) outlines the many different definitions adopted in social commerce studies. A broader definition is adopted by this study, which includes “any commercial activities facilitated or conducted through social media and web 2.0 tools in consumers’ online shopping process or business interactions with their customers” (Rad and Benyoucef, 2010). The rise in and increased use of social networking sites has resulted in social commerce, a relatively new way of shopping and researching online (Shanmugam *et al.*, 2016). Social networking sites give brands direct access to high-level consumer engagement – allowing the brand to interact with the consumer, with the end goal of connecting them to their commercial activities.

Each social networking site allows individuals to connect, interact, and build relationships through tools unique to each of these platforms. Facebook, for example, allows individuals to create a profile, invite friends and family, and extend their invitations to ‘friends of friends’ (Li, 2014). The tools embedded on Facebook facilitate consumer engagement through sharing of consumer news, uploading pictures of their latest product purchases, commenting on negative service delivery, or requesting peer recommendations (Hajli, 2015). These tools are designed to keep consumers engaging online, and considering the significant growth in global social media usage, it is hard to oppose these views.

**Table 2.2: Alternative social commerce definitions in academic research**

No	Definition	Reference
1.	Exchange-related activities that occur in or are influenced by an individuals' social network	Yadev et al., 2013
2.	Any commercial activities facilitated or conducted through social media and web 2.0 tools in consumers' online shopping process or business interactions with their customers'	Rad and Benyoucef, 2011
3.	The delivery of e-commerce activities and transactions via the social media environment, mostly in social networks and by using web 2.0	Liang and Turban, 2011
4.	Social commerce is a form of commerce mediated by social media involving convergence between the online and the offline environments	Wang and Zhang, 2012
5.	Social commerce is a form of online business that combines e-commerce with social media	Kim and Park, 2013
6.	Social commerce involves the use of social media that supports social interaction, communications, and user generated content to assist in the online buying, selling and marketing of products and services.	Ng, 2013
7.	Social commerce can be considered a subset of social commerce that involves using social technologies to assist e-commerce transactions and activities	Lu, Fan and Zhou, 2016

*Note:* Authors own summary

Recent reports on social networking growth figures suggest that of the 4.021 billion internet users worldwide, 3.2 billion are active social media users – which shows a staggering growth rate of 13% from 2017 (Kemp, 2018). Facebook is the second highest visited website globally, with over 60 million business pages (Shaw, 2018). Forbes (2018) lists Facebook as the 77<sup>th</sup> most valuable public company in the world, taking in \$44.6 billion in revenue from brand advertising worldwide. In addition to these considerable numbers, in a social commerce survey, it was found that almost 83% of individuals shared their shopping information with others online and 67% searched for online recommendations from their peers (Chen and Shen, 2015). This demonstrates the influence that these social networking sites have on the consumer purchase journey. While Whatsapp tops Facebook usage by 3% in South Africa, Facebook was the most searched term on google in South Africa and has an engagement rate of 4.73% which is above the global average (Kemp, 2018). Facebook has 20 million active users and tis increased 20% in 2017. This shows Facebook is recognized and established in South Africa and a good platform for businesses to reach their consumers.

Previous academic studies examined the surge in social commerce usage and the revenue generated. Hajli (2017b) observed that social commerce usage increased by over 500% from 2007 to 2008 (Hajli, 2017b:133), while in 2011 over 300 social commerce firms in Korea produced \$300-500 million in revenue (Kim and Park, 2013:318). In 2012, it was reported that social commerce could contribute up to \$1.3 trillion in revenue (Lu, Fan and Zhou, 2016:226). The staggering growth of social networking sites has undoubtedly contributed to the significance of social commerce on a practical level, for business and marketing strategy – but it has also raised deep interest in academic circles, given its unique properties and how consumers behave in this environment. To give this study structure and remove any

inconsistencies in definitions, the next section reviews the various types of social commerce.

### **2.3.2 Differentiating social commerce from traditional e-commerce**

One of the key differences between a traditional e-commerce website and a social commerce site, is that the consumer engages with an e-commerce website individually. Here, the one-on-one interaction with buyer and seller creates the value for the user (Hajli *et al.*, 2017b). However, in social commerce, the member interacts and engages with their online community – and it is the network of interactions which creates the most value for the consumer in social commerce (Hajli *et al.*, 2017a).

### **2.3.3 Types of social commerce**

Social commerce presents itself in many different formats, which can arguably be why there are inconsistencies in determining a set definition for social commerce (Zhang and Benyoucef, 2016). This study outlines five types of social commerce put forward by Lauren Indvik (2013), which are listed below in order of significance to this study. These are supported by relevant academic theory and practical examples.

#### **2.3.3.1 Social network-driven sales**

The first type includes social networking sites (SNS) such as Facebook's carousel tool, where brands advertise their products and services, which, when clicked, sends the user to the brand's e-commerce page. This study focuses on a branded Facebook page that promotes its products through advertising and links to the brand's e-commerce page, which is why the definition of this study will fit under this format of social commerce. To reiterate the definition, social commerce in this study is described as "any commercial activities facilitated or conducted through social media and web 2.0 tools in consumers' online shopping process or business interactions with their customers" (Rad and Benyoucef, 2010). This excludes peer recommendation websites, social shopping websites, group buying websites, and user-curated websites.

#### **2.3.3.2 Peer recommendations**

The second type of social commerce includes e-commerce websites that feature social characteristics to assist with decision-making. An example of this can be seen on Amazon, which is typically a traditional e-commerce site that includes sharing and reviewing tools that facilitate purchasing (Lin *et al.*, 2016).

#### **2.3.3.3 Social shopping websites**

Social shopping websites (SSW) create online communities where consumers can connect through their shopping-related interests (Zhang and Benyoucef, 2016). A global example here is Motilo, an award-winning fashion community where you invite friends and create fashion boards together using social media tools. A local

example is Laudable (<https://www.laudable.co.za/>), which includes your best online retailers on one site – encouraging the sharing of fashion with your social network

#### **2.3.3.4 Group shopping websites**

Here, the more consumers show interest in purchasing a product, the greater the discount (Zhang and Benyoucef, 2016) awarded on the product. Groupon is an example of a group shopping website.

#### **2.3.3.5 Other**

Other social commerce examples highlighted by Indvik (2013), are peer-to-peer sales platforms such as Ebay or Etsy, and participatory social commerce where brands involve consumers in the design process to allow for an interactive and collaborative process. WhatsApp for business is another new addition and a social commerce example. It is a free, downloadable messenger app for smartphones that allows consumers to create social groups and send their friends messages, files and videos through the internet. In January 2018, WhatsApp business was launched, which now enables businesses to create profiles, communicate and sell their branded products and services directly off the platform (Venkatesh, 2018). With the continuous progression of web 2.0, the many types of formats that social commerce present in, are expected to expand as brands continue to find ways to create interactions with online communities – leveraging off the social commerce features that make this paradigm so unique.

#### **2.3.4 Social Commerce Attributes**

Below, key social commerce attributes – social interactions, social support and social presence – are explored in the context of online communities, to demonstrate how trust is built and the essential role it plays in social commerce. Following this, the online trust chapter explores antecedents of trust within a social commerce framework through social commerce characteristics providing a foundation to substantiate trust antecedents to purchase intention.

##### **2.3.4.1 Social Interactions**

Social networking sites play an important role in strengthening and facilitating social interactions among brands and their communities. Social interactions are broadly defined as “any actions individuals engage in which affect the other consumers decision or valuations regarding a product or service” (Godes *et al.*, 2005). Social interactions are an important prerequisite for successful social commerce (Wang and Yu, 2017), as they are embedded throughout the online decision-making journey.

A Facebook page is established by a company to promote its products and services with the objective of interacting with its community (fans) to generate conversation around its products, while gathering consumer insights. Social networking sites allow users to foster and nurture online relationships through tools such as likes,

comments, shares and emoji's that allow online communities to publicly evaluate product purchases and rate services to their community – which then facilitates participation, word-of-mouth (eWOM) and social sharing (Kim and Park, 2013). This is also referred to as user-generated content, where content is created by individuals within a community, which is then browsed by others in the same or different communities (Li, 2017). Influencer marketing is a current tactic used by brands to heighten brand exposure through UGC, based on the concept that consumers trust their friends and peers above branded content. Influencers are individuals with a high network following in their online community, and are usually paid (by a brand) to post branded content or reviews on the brand product/service – giving considerable brand exposure to the influencer's network, with the end goal of influencing their purchase intention. In a study on social media and trust by Warner-Söderholm *et al.* (2017), it is suggested that successful interactions in social media rely on the trust between the individual and their friends, as well as with the online community and the organisation.

These social tools encourage information-seeking behaviour, so positively increasing the user's familiarity with the platform (Hajli *et al.*, 2017b). As per Hajli's study, familiarity and social interactions are good predictors of trust in a social networking community, and also a significant predictor of behavioural intentions (Hajli *et al.*, 2017b; Ng, 2013). Social interactions are therefore a lucrative channel to tap into the hearts, minds and wallets of the brand's target market (Hajli, 2017c). Online communities become useful marketing tools for brands, as they willingly share inspiring brand stories, so becoming 'brand advisors and developers (Hajli, 2017:177), while the brand gathers insights and develops this co-creation through innovative activities. This collaboration between brand and consumer is an essential practice in relationship marketing. It is this process of co-creating and participation that positively impacts on the development of trust (Hajli *et al.*, 2017a).

#### **2.3.4.2 Social support**

Social support is defined as “social resources which are available or provided by individuals of a network which nurture warmth, care and a sense of belonging” (Hajli, 2014b). Social commerce exists through a highly interactive social media ecosystem, which empowers users to share shopping experiences and knowledge about products with those they trust in the social media environment (Lin and Wang, 2016). Online community members willingly share information and recommendations, and the individual may feel obliged to return the same support to others (Liang *et al.*, 2012). Social support plays an important role in online communities, as it cultivates trust between consumers and their decision-making.

Through consumer's information-sharing behavior facilitated by social networking features such as sharing, liking and message posting, consumers turn to their network for valuable social support during the purchase decision-making process (Liang *et al.*, 2012). Consumers have increasingly lost their trust in corporate

brands, choosing rather to trust content developed by other consumers in social media (Hajli *et al.*, 2015b). In an empirical study by Shanmugam *et al.* (2016), social commerce constructs identified by Hajli (2015) are proved to positively influence social support (emotional and informational), and social support is proven to influence trust (Shanmugam *et al.*, 2016). This social support positively influences user's intention to participate in social commerce, influenced by the value the sharing of shopping information provides. This regular sharing of information was found to enhance trust and friendship among the community, and stimulates trust (Ng, 2013).

#### **2.3.4.3 Social presence**

Social presence is defined as “the extent to which a medium allows users to experience others as psychologically present” (Hassanein *et al.*, 2009:627). A social networking site is considered socially warm, if it enables individuals to interact and increases the sociability and sensitivity of the communications (Hassanein *et al.*, 2009). Past studies explored the social presence and development of online trust. Gefen and Straub (2004) explored consumer trust and the importance of social presence in the context of online services in e-commerce, and argued that where communication has a high social presence (on a website for instance) the platform is ‘personal and sociable’ (Gefen and Straub, 2004:410) – which facilitates the development of trust.

Trust and social presence are further examined by Lu *et al.* (2016). The authors found that social presence gives more social cues, and shortens the perceived social distance between online buyer and seller – thereby enhancing the buyer's trust in the seller. This outcome confirmed a positive relationship between trusting beliefs and purchase intention (Lu *et al.*, 2016). While in a different context, trust had a positive relationship to purchase intention. The study however raised caution about its generalizability – establishing that it might not reach the same conclusions if the sample was taken from a different culture, for example Western culture.

The recognition of the influence of culture on trust in this study demonstrates the need to continue testing the relationship between culture, trust and purchase intention. Given the importance of trust in social commerce shopping, it is essential to understand what influences trust, and cross-cultural studies examining this relationship have identified that different cultures react differently to online trust. Building knowledge in this area will have great implications for global brands and the management of global brands in local markets (Hassanein *et al.*, 2009).

Hassanein *et al.* (2009) studied website trust and social presence between two diverse cultures – Canadians and Chinese. The research aimed to discover whether warmth and sociability have a positive impact on trust when integrated into website features (in this case, pictures and text). The results showed that social presence embedded through socially-rich design elements, had a positive impact on

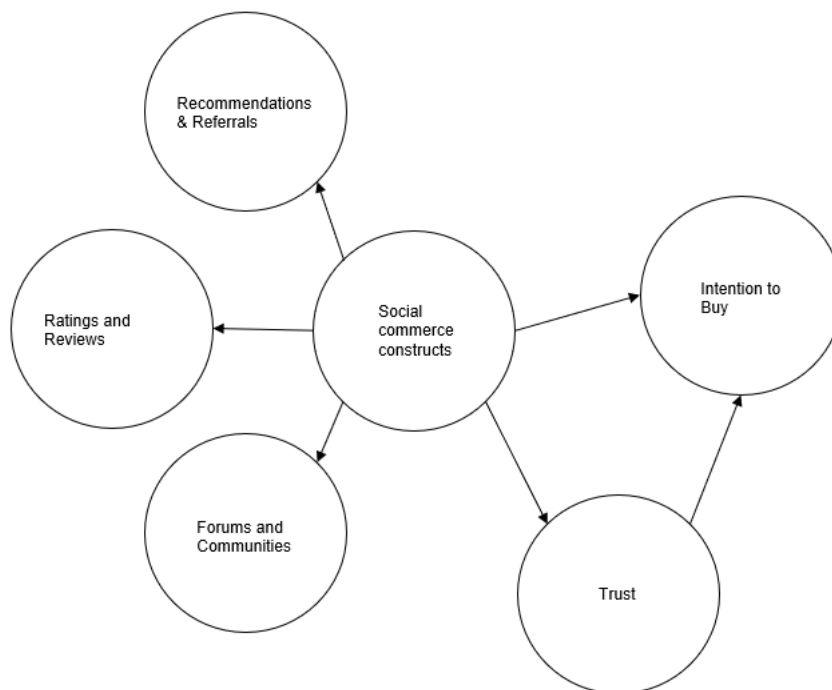
perceived usefulness, trust and enjoyment for the Canadian sample, and yet increased social presence did not influence online trust in the Chinese sample. The disconnect between social presence and online trust was suggested to happen as a result of not localizing the website, that Chinese do not build trust very quickly and this could affect the results, and using a country as a cultural surrogate was also questioned by Srite and Karahanna (2006). In essence, this study provided adequate evidence that what is deemed trustworthy for one culture online – does not mean it will have the same trust perceptions for a different culture (Hassanein *et al.*, 2009). Gefen (2000) noted the need for more understanding on trust and cross-cultural effects within an online environment. Gefen (2000) correctly stated that both familiarity and trust are learned, and can therefore differentiate between cultures.

The next section explores the antecedents to online trust through social commerce constructs and social commerce characteristics. Social commerce constructs are explored first.

### **2.3.5 Social commerce constructs**

Lu *et al.* (2016) maintain that social commerce tools enhance customer participation and allow the collection of “rich information resulting in a more trustworthy and sociable online transacting environment” (Lu *et al.*, 2016:225). These tools are called social commerce constructs, as “online forums, ratings, communities, reviews and recommendations” (Hajli, 2015:183). Lin, Li and Wang (2015) put forward that social commerce constructs assist in the user’s pre-purchase product evaluation, their shopping decisions, and also their post-purchase behaviours (Lin *et al.*, 2016:2), which shows the enormous influence these constructs have over decision-making behaviour in the consumer purchase journey. Social commerce constructs effortlessly enable consumers to interact, connect and actively search other consumer product and service experiences – to make better-informed purchasing decisions (Ng, 2013). This information-sharing behaviour enables social support before and after their online shopping experience (Lin *et al.*, 2015), which then cultivates trust between users.

Hajli (2015a) explores three social commerce constructs: ratings and reviews which he maintains shape social commerce, recommendations and referrals which he argues influence social commerce intention, and forums and communities that facilitate social interactions (Figure 2.2, below). These constructs are important, as it is argued that consumers use them in their interactions and generate content with others that increases the level of trust and intention to purchase (Hajli, 2015a). Exploring this literature is pertinent, as this study examines trust and purchase intention within a social commerce context, and will provide a rich background into the social networking environment that builds this trust.



**Figure 2.2: Social commerce adoption model, showing the social commerce constructs of Hajli (2015)**

### 2.3.5.1 Ratings and reviews

Ratings and reviews involves users posting reviews or rating products online, which benefits other users as it generates “effective information for customers” (Hajli, 2015:185). Consumers use this information to arm their decision-making, as it is deemed credible and trustworthy. Ahmad and Laroche (2016) maintain online customer reviews are a form of electronic word-of-mouth (eWOM) and argue that eWOM can potentially reduce risk and increases consumer trust (Ahmad and Laroche, 2016). The role of trust in social media reviews was closely examined by Lee *et al.* (2016) in their study on perceived customer value in online group-buying among South Koreans. The higher the risks, the higher the perceived customer value for group-buying in low-priced deals. To reduce this online risk, consumers turn to social media reviews as they “lend credibility to the information” (Lee *et al.*, 2016:400). In addition to this, a user’s review about a product online usually provides detail not provided by a brand, and is therefore perceived to be valuable and unbiased.

In a study by Ha (2004), word-of-mouth communications were shown to influence awareness, expectations, perceptions, attitudes and behavioral intentions (Ha, 2004). It was further demonstrated that eWOM communication exerts a strong effect on brand trust for customers on e-commerce. As social commerce is a sub-set of e-commerce, we can deduce that eWOM in the form of reviews exerts a strong effect on brand trust for customers and is an antecedent to trust.

### **2.3.5.2 Recommendations and referrals**

Recommendations and referrals are widely used by consumers to gain further insight into aspects of a product online (Hajli, 2015), because transacting in an online environment limits consumer's from picking up or trying on products, and it is therefore regarded as a risky practice/purchase. Users lean toward their community for reliable opinions, by either searching for already posted information about the branded product or posting a question to their community to find out more about the product (Hajli, 2015). Users therefore trust the responses and information retrieved online by those in their social community, and are influenced by other user recommendations and referrals, which in turn influence their decision-making (Hajli, 2015)

### **2.3.5.3 Forums and communities**

The third construct outlined by Hajli (2015a) is forums and communities, which is a social environment facilitating the social interaction of individuals participating on the platform (Hajli, 2015a). They support each other through collating and transmitting product information through the social tools available. Therefore, these platforms stimulate social interactions and conversations through supporting one another. This leads to social support and social presence – both of which have already been established as an antecedent to trust in social commerce. The above academic literature is evidence of the significant hold these social commerce attributes have in contributing to a favourable environment for consumer trust to thrive. A summary of the terms discussed above are in Table 2.3 (below).

**Table 2.3: Terms and definitions found in the e-commerce and social commerce chapter.**

No. Term	Description	Reference
1. E-commerce	The company or site offers to transact or facilitate the selling of products and services online	Kotler and Keller, 2009
2. Social commerce	The delivery of e-commerce activities and transactions via the social media environment.	Liang and Turban, 2011
3. Social media platforms	Different types of social media such as social networking sites, blogs, Wikipedia, YouTube, Flickr and forums.	Vazquez et al., 2014
4. Social Networking Sites (SNS)	Where products/services/brands are promoted on social media platforms such as Twitter, Facebook, Instagram and Pinterest.	Lin and Wang., 2016
5. Online community	Virtual communities are social environments where individuals interact and engage facilitated by social media applications.	Hajji, 2017a
6. Branded community	A group of consumers with a well-developed social identity whose members engage jointly in group actions to accomplish collective goals.	Lee et al., 2012
7. Social shopping website ( SSW)	SSW's create online communities where consumers can connect through their shopping related interests	Huang <i>et al.</i> , 2016
8. Electronic Word of Mouth (eWOM)	Any positive or negative statement made by the potential, actual or former customers about a product or company on the internet, more popular on social networking sites	Ahmad and Laroche (2016)
9. User generater content ( UGC)	The sharing of information, experiences and knowledge with other members of online communities	Hajji et al .,2015b
10. Social interactions	Any actions individuals engage in which affect other consumers decisions regarding a product or service.	Godes et al., 2005
11. Social support	Social resources which are available or provided by individuals of a network which nurtures warmth, care and a sense of belonging	Hajji <i>et al.</i> , 2014a, 2014b
12. Social presence	The extent to which a medium allows users to experience others as psychologically present.	Hassanein <i>et al.</i> , 2009
13. Social commerce characteristics	Unique characteristics which stimulate users trust in the platform namely reputation, size, information quality, transaction safety, communication, economic feasibility and WOM referrals	Kim and Park, 2013
14. Social commerce constructs	Online forums, ratings, communities, reviews and recommendations.	Hajji, 2015
15. Familiarity	The continous engagement in channels of information seeking such as communities and forums which enhances users skills and expertise about diferent aspects and tools of an online platform	Hajji et al., 2017
16. Information seeking behaviour	Consumers demonstrate information seeking behaviour through social commerce constructs.	Hajji, 2017
17. Purchase Intention	The strengths of one's intention to perform a specific behavior	Fishbein and Ajzen, 1975

*Note:* Table compiled by the researcher.

The next section in this study further explores the antecedents to online trust, building the argument for the significance of trust in social commerce, and therefore understanding the moderating effects of this trust to be of equal value.

## 2.4 CHAPTER CONCLUSION

This chapter explored two themes – e-commerce and social commerce. In the e-commerce section, the reach of e-commerce is examined under the global and local landscape. While the South African e-commerce landscape looks optimistic, a brief overview of the barriers to e-commerce are discussed, which highlight the concept of risk and uncertainty in online shopping, and introduces the importance of trust.

## **2.5 CHAPTER SUMMARY**

To provide contextual background to the central research question, the global and local e-commerce landscape was first considered. Analysing the opportunities and barriers on this platform, and supported by selected South African e-commerce studies, a clear reason exists to further knowledge on social commerce as a lucrative marketing platform for South African business. The barriers to e-commerce were outlined to illustrate the importance of key constructs in this study. Distrust, uncertainty and high risk were raised by Safa and Solms (2015), maintaining that South Africans found online security to be high risk and untrustworthy. The effects of cultural tradition on distrust was established by Kabanda and Brown (2017) in their study on e-commerce adoption by SMEs in Tanzania.

The unique properties of social commerce were then introduced and the attraction of social commerce to academics and firms was discussed. Social commerce constructs that facilitate engagement (Hajli *et al.*, 2015; Lu *et al.*, 2016; Ng, 2013) were used to review, recommend and promote branded products and services and friends and family are trusted over branded content (Hajli *et al.*, 2015b). This demonstrates the level of influence of the community in the decision-making process. Social support and social presence were examined in relation to the development of trust. This chapter identified questions in the literature on the effects of culture on online trust (Doney and Cannon, 1997; Jarvenpaa *et al.*, 2000; Kim and Park, 2013), as well as cross-cultural studies in social commerce (Ganguly *et al.*, 2010; Hassanein *et al.*, 2009). Of great importance in this chapter are the multi-dimensional constructs of trust and culture, which are explored in the chapters that follow.

Online trust is explored in the next chapter. First trust is defined and explored through general commercial relationships. Next, online trust in e-commerce and social commerce are examined – after which online trust antecedents and how trust influences purchase intention in online environments, are discussed.

## **CHAPTER 3**

### **ONLINE TRUST**

#### **3.1 INTRODUCTION**

This chapter begins by exploring the multi-dimensional definition of trust. Trust is at the heart of the research question, and therefore insight into context and definition is required. Trust has been studied across diverse fields – economic, social, behavioural, organisational and technological (Kim, Ferrin and Rao, 2008), so producing many definitions. To establish a clear definition of trust in social commerce, trust is first defined universally, then through an e-commerce perspective, and finally the definitions debated in social commerce are examined. The types of trust explored are narrowed down by defining trust within an e-commerce context (Wang and Emurian, 2005) and then social commerce context (Keen, 1997) – which then develops the definition of trust implemented in this study. Thereafter, current and foundational literature pertaining to the significance and types of trust is explored, along with the antecedents of online trust.

#### **3.2 TRUST IN COMMERCIAL EXCHANGE**

##### **3.2.1 Defining trust**

A common and well-established definition of trust is

“a psychological state comprising the intention to accept vulnerability based upon the positive expectations of the intentions or behavior of another” (Rousseau, Sitkin, Burt and Camerer, 1998:395).

The core components of any definition of trust are vulnerability and expectation between two parties. With trust comes risk, as there must be a possibility for loss or regret. Doney and Cannon (1997) suggest the nature of trust is such that regardless of its context, trusting parties need to demonstrate vulnerability for trust to be operational (Doney and Cannon, 1997). Drawing from social psychology in an industrial buying context, trust is defined as “a trustor’s expectations about the motives and behaviors of a trustee” (Doney and Cannon, 1997:37).

##### **3.2.2 Trust in general commercial relationships**

Trust is imperative in most economic transactions (Mayer and Schoorman, 1995). It is defined as a belief that the seller will exceed the consumer’s expectations, and as better explained through its dimensions of ability, integrity and benevolence (Hajli, 2017). In this context, buyers form trust with the selling organisation based on the firm’s characteristics and their behaviours. In the context of e-commerce, risk, uncertainty and opportunism are heightened through the lack of physical contact between buyer and seller – where the trusting party must depend on yet lack control over the trusted party (Gefen and Straub, 2004). Kim *et al.* (2008) defined consumer

trust in an e-commerce store, as “a consumer’s subjective belief that the selling party or entity will fulfill its transactional obligations as the consumer understands them” (Kim *et al.*, 2008: 545). While the above definitions are uni-dimensional, trust in this study is multi-dimensional, and this is supported in prior studies (McKnight and Chervany, 2002).

### **3.2.3 Online trust in e-commerce**

Trust is essential for the success of e-commerce transactions (Wang and Emurian, 2005). Perceived risk is high for consumers when dealing with an online retailer, as the consumer cannot access and physically evaluate products online before purchasing them (Ng, 2013; Kim *et al.*, 2008). The consumer is willing to rely on online retailers who are perceived as low risk (Kim *et al.*, 2008). Perceived risk is a barrier for online consumers and is defined as “a consumer’s belief about the potential uncertain negative outcomes from the online transaction” (Kim *et al.*, 2008:546). Perceived risk is much higher in online purchases than in traditional brick-and-mortar stores. In a traditional store environment, the consumer can see the salesman and touch and feel the products proceed to purchase, and then leave with the product in hand. To the contrary, online shopping within a retail context requires giving out personal and private information, products cannot be touched or tried on, and the product has to be paid for before its arrival. Interestingly found in Yoon (2002), consumers trust online stores that have physical store fronts, as it gives the online store more credibility.

To help give background to the types of trust and to help define the trust dimension in this study, the next sections examine institution-based trust, disposition to trust, and cognitive and emotional trust.

#### **3.2.3.1 Institution-based trust**

Institution-based trust is the structures that make an environment trustworthy. Perhaps for example users will judge the trustworthiness of an online retailer through specific attributes, such as the internet’s security and safety (McKnight, 2002). According to Pavlou and Gefen (2004), institution-based trust occurs when buyers transact with unknown sellers under an umbrella company that “provides an institutional context” (Pavlou and Gefen, 2004:38). Their study further explored the institutional mechanisms that reduce risk and increase buyer trust within online auction sites (Pavlou and Gefen, 2004:37). The presence of institutional-based trust in a business environment is plays a significant role – especially when there is no history of previous interactions and where the exchange parties have a different cultural background (Pavlou and Gefen, 2004). The latter authors present the argument that online consumers from different cultures do not trust online retailers they are unfamiliar with, very willingly, and that trust is built through institutional mechanisms.

The current study does not adopt institutional trust, as this trust is based on recommendations from third parties (Pavlou and Gefen, 2004) or trust within a community of sellers such as Amazon's Marketplace. Individuals trust the brand Amazon, and so under the Amazon umbrella which provides credibility for buyers, separate firms run their businesses. This is what is referred to as institutional-based trust. The current study focuses on members of a branded Facebook community page, and therefore they will recognise the brand – having already chosen to engage with it.

### **3.2.3.2 Disposition to trust**

Disposition to trust is the tendency to trust others (Hallikainen and Laukkanen, 2018). McKnight *et al.* (2002) describe disposition to trust through two sub-constructs – faith in humanity and trusting stance. Faith in humanity implies a reliable and dependable individual, where a consumer will prefer to trust a vendor until they are proven wrong, regardless of their characteristics. A consumer with a high disposition to trust will increase trust with an online retailer if the site shows credibility, whilst an individual with a low disposition to trust will avoid this online retailer. Hallikainen and Laukkanen (2018) tested national culture and consumer trust in an e-commerce context. Their study explains disposition to trust as being based on the notion that trust is influenced by changes in an individual's social environment, and, as a result, individuals will develop different levels of trust across different types of interactions. Hallikainen and Laukkanen (2018) explore how culture influences a person's tendency to trust, as individuals from different cultures are not inclined to trust others. They also measure the three dimensions of trustworthiness – ability, integrity and benevolence – which are all dimensions of cognitive trust (Kim and Park, 2013).

At the heart of social commerce there is a network of social interaction, social warmth and social presence – all of which are antecedent to trust (Hajli, 2015a, 2017b; Ng, 2013). Social support nurtures a sense of warmth and care, and the regular sharing of information (Ng, 2013) enhances trust and friendship within the community. The latter could be argued to align with emotional trust, which is the emotional feeling arising in the consumer from the level of care demonstrated by the firm or, in the context of this paper, the branded community that comprises the firm and its members. The level of care and concern can be argued to arise from the engagement of users in brand communities, which fosters a sense of belonging" (Hajli *et al.*, 2017a) and the co-creation of content. Because cognitive trust is a foundation to emotional trust, the two types of trust are represented as one in this study. Therefore, disposition to trust, while accurate for a platform that is not built on social interaction and social support, lacks the emotional trust which plays such a significant role in the social commerce context.

### **3.2.3.3 Cognitive and emotional trust**

This section focuses on the two main trust studies in social commerce – Hajli *et al.* (2017a) and Kim and Park (2013). Both papers explore two major concepts of trust, namely cognitive and emotional trust. The discussion that follows explores why the definition of trust is justifiable, while analysing other trust definitions used by Hallikainen and Laukkanen (2018) – as well as the previous trust literature examined by Pavlou and Gefen (2004).

Cognitive trust has three dimensions: integrity (which represents the honesty of the e-retailer to commit to the transaction), benevolence (the retailer's willingness to act on behalf of the consumer, and ability (the retailer's ability to deliver on its promise). These dimensions align with Doney and Cannon (1997), where buyers develop trust with sellers based on the firm's behaviour and characteristics.

Hajli (2017a) explains emotional trust as being built through a buyer's belief in the level of care demonstrated by the firm. The dimensions of emotional trust are the feelings of security and the perceived strength of the relationship between consumer and brand (Kim *et al.*, 2008). Kim and Park (2013) establish trust to comprise both cognitive and emotional trust, and classifying trust as behavioural – which is theory developed from Lewis and Weigert (1985). Therefore, this paper adopts Kim and Park's definition of trust that is "the level of consumer's confidence in a social commerce firm's reliability based on the emotions formed by the level of care demonstrated by the firm" (Kim and Park, 2012:320). Trust in the current studies model is thus a fusion of cognitive and emotional trust

### **3.2.4 Online trust in social commerce**

In social commerce, trust is defined as a multi-dimensional construct, where "one can rely upon a promise made by another and that the other, in unforeseen circumstances, will act towards oneself in good will and in a benign fashion" (Suh and Han, 2003:137). This definition explains that users are placed in an environment where perceived risk is high due to incomplete product information and no physical interaction between the buyer and seller, which increases the uncertainty in the online transaction.

Therefore, by addressing whether culture moderates this trust, this study addresses a relevant and essential aspect in the success of social commerce within local contexts. Trust is therefore a critical construct to examine in this study. This is important in context of a social commerce site, where individuals base their purchasing decisions on recommendations and reviews from other community members they 'trust' (Ng, 2013: 611). In a collectivist culture such as China, the lack of face-to-face interaction online minimises consumer trust. Therefore, installing warmth and social presence in a website will increase consumer trust (Hassanein *et*

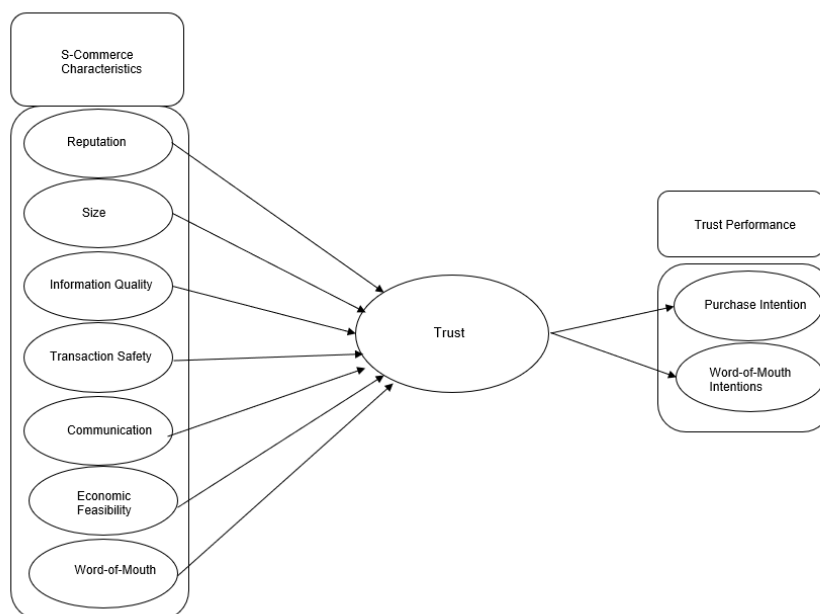
al., 2009) in a collectivist society. However, despite the context of the importance of trust, which factors influence this trust are equally important.

### 3.2.5 Online trust antecedents

While online trust is essential to successful e-commerce and social commerce transactions, some studies have noted the importance of exploring which factors impact this trust, and consequently impact purchase intention (Doney and Cannon, 1997; Jarvenpaa, 2000; Hajli, 2015a; Hajli, 2017; Kim and Park, 2013; Yoon, 2002). The next section explores the antecedents to online trust in social commerce. The literature focused on e-commerce is included, as social commerce can be identified as a subset of e-commerce.

#### 3.2.5.1 Social commerce characteristics

Kim and Park (2013) investigated the key social commerce characteristics that have a positive effect on consumer trust, facilitating trust performance in social commerce. Figure 3.1 (below) represents Kim and Park's (2013) social commerce model, which demonstrates the unique social commerce characteristics that stimulate user trust in the platform. The characteristics used in their research model are: reputation, size, information quality, transaction safety, communication, economic feasibility, and WOM referrals (Kim and Park, 2013).



**Figure 3.1: Social commerce model depicting the effects of social commerce characteristics on trust and trust performance (taken from Kim and Park, 2013)**

### **3.2.5.2 Firm size and reputation**

Jarvenpaa *et al.* (2000) examined the antecedents and consequences of consumer trust in the context of an online book store and online travel site. Kim and Park (2013) cite Jarvenpaa *et al.* (2000) who state that without trust “e-commerce firms will not exploit their full potential” (Kim and Park, 2013:318). Jarvenpaa *et al.* (2000) adopted Doney and Cannon’s (1997) definition of trust as: “a trustor’s expectations about the motives and behaviors of a trustee” (Doney and Cannon, 1997:37). They assert that, formerly, trust existed between the salesman and the seller’s organisation; however, since the introduction of e-commerce, the salesman is removed, which leaves consumer trust focused on the organisation (Jarvenpaa *et al.*, 2000:46). Their findings showed that a buyer (or consumer) will look to the firm’s perceived size and perceived reputation, as determinants of consumer trust, and that often these two are associated (Jarvenpaa *et al.*, 2000:49). The larger the perceived company, the more resources and investment it is believed to have – and therefore it is more credible. Where the store is perceived to be honest and caring about its customers, the store’s reputation is deemed more trustworthy (Jarvenpaa *et al.*, 2000:48). The results also revealed higher trust was found in online retailers who also had offline stores – as opposed to those that were purely an online business (Jarvenpaa *et al.*, 2000; Yoon, 2002:61). Jarvenpaa *et al.* (2000) appealed to researchers to examine the cross-cultural differences in the effect of trust (Jarvenpaa *et al.*, 2000:64).

### **3.2.5.3 Firm characteristics and behaviour**

Doney and Cannon (1997) established a framework to identify antecedents of trust between buyer and seller relationships, within an industrial buying context. They defined trust as a “belief that the seller will execute the consumer’s expectations, by showing ability, integrity and benevolence” (Doney and Cannon, 1997:36). In this context, buyers formed trust with the selling organisation based on the firm’s characteristics and their behaviours. Five processors are outlined in their study which develop trust – of which the last, the development of trust through trust transference, is worth discussing. The transference of trust is where trust can be transferred from one trusted ‘proof source’ (Doney and Cannon, 1997:37) to another person or group, without having any experience with them. Therefore, one can argue that distrust can also be transferred. This brings to light how consumers within the social media context willingly trust others they do not know – through associations of people or groups (brands) they do trust. They therefore also pass on distrust from the same associations. Trusting the firm gives an indication of expected future interaction (Doney and Cannon, 1997). In the limitations of the study, researchers were encouraged to examine the role of national culture in buyer-seller relationships (Doney and Cannon; 1997). Further noted in their study, as a consequence of globalisation, future research would offer tremendous value examining how antecedents of trust differ across cultures (Doney and Cannon:1997). Therefore, the call to understand the impact of culture on trust and

the consequences of trust, began over 21 years ago and this continues to be a field of great interest.

#### **3.2.5.4 Information quality**

Curious to understand which information made product recommendations trustworthy in a social networking system (SNS), Hsiao *et al.* (2010) established that consumer trust in product recommendations directly influenced purchase intention. Furthermore, consumer trust in a website influenced the trust in a product recommendation and the authors concluded that a website's reputation, perceived quality and institutional assurance positively affect trust in social commerce. This translates to the more trustworthy the website, the more credible and trustworthy product recommendations are regarded to be (Hsiao *et al.*, 2010). Website-related factors were outlined as the antecedent factors influencing website trust and trust in product recommendation (Hsiao *et al.*, 2010:948). This study acknowledges that the study by Hsiao *et al.* (2010) was in the context of a social networking site, and not a social commerce-branded community page as per the current study. However, their findings extended Kim and Park's (2013) and Hajli's (2015a) social commerce constructs – and are thus included in this study, to demonstrate the antecedents and significance of online trust.

#### **3.2.5.5 Transaction safety and communication**

Transaction safety in social commerce is broadly defined as being the degree to which social commerce users believe in the security of the transactions and the transaction-related data (Cheung and Lee, 2006). Previous studies examined how transaction safety is imperative for consumer trust in the platform. The distrust in online payments in South Africa has been noted as a barrier to transacting online (Safa and von Solms, 2015). Consumer perception of security and payment reliability had a positive relationship with online trust (Safa and von Solms, 2015). In the online environment, consumers cannot control their security or privacy, which heightens the uncertainty and risk in terms of transacting online. Furthermore, Yoon (2002) and Kim and Park (2013) determined that transaction safety influences online consumer trust in e-commerce and social commerce respectively. Communication can be explained as being the exchange of information, and in social commerce this will relate to the unique social commerce attribute of social interactions explored earlier in this section. User-generated content is formed through the social interactions of social commerce users, driven by social commerce constructs (Hajli, 2015a). Co-creation is built from the participation between social commerce users and the brand that develops trust (Hajli *et al.*, 2017a).

#### **3.2.5.6 Economic feasibility**

Kim and Park (2013) included economic feasibility as positively effecting consumer trust in social commerce. This was determined by previous studies that maintained

that low-priced products and services are seen as an added value to consumers, which increases trust in the firm (Lee *et al.*, 2008). However, this Hypothesis was not supported, because although discounting is seen as a trust determinant for one individual, it did not apply to the Korean sample in the study by Kim and Park (2013). Walmart entering the Korean market is raised in Kim and Park (2013), and addresses the importance of compatibility in the context of the moderating effects of culture. Walmart is one of the most successful multi-chain retail outlets in America. In 2017, the company's global net sales totaled nearly \$481.32 billion (Statista, 2018). In America, the company has run its business model on heavy discounting; however, this strategy was unsuccessful in the Korean market in the 1990s and it exited the market in 2005 (Kim, 2008). Walmart's discounting strategy was not perceived to be of 'value' to the Korean market, and the refusal to localise and become culturally compatible had detrimental effects.

### **3.2.5.7 Word-of-mouth referrals**

Word-of-mouth that is available online is called e-WOM (Hajli, 2015a). eWOM is defined as "any positive or negative statement made by potential, actual or former consumers about a product or company which is made available to a multitude of people or institutions via the internet" (Hennig-Thurau, Walsh and Gremler, 2004:39). It has been established that consumers create their own content through social commerce tools called (UGC), which is perceived by other consumers as being highly credible compared to branded content. Online customer reviews are one form of eWOM (Hajli, 2015a). Hajli (2014a) maintains that word-of-mouth is the most influential social commerce construct, is a dominant form of social support (Hajli, 2014c), and is suggested by Liang and Turban (2011) to influence the consumer purchase decision-making process.

If eWOM increases trust and purchase intention, then what factors moderate eWOM that might affect this trust? Zhu and Zhang (2010) maintain that eWOM is moderated by product type and consumer characteristics. Hsiao *et al.* (2010) explored the antecedents of trust in online product recommendations and found that purchase intention had a higher influence on willingness to purchase than trust in a website. This indicates that consumer purchase intention is directly affected by trust in the website, but more significantly by their purchase intention toward the actual product. Second, trust in product recommendations is influenced by website factors. Third, trust in product recommendations in a social networking environment raises doubts regarding the risk, which will require rational and thoughtful decision-making. This rational decision-making aligns with the cultural dimension of long-term orientated beliefs, which demonstrates that culture is a moderator of eWOM – as explored through self-construal in a study by (Lee, Kim and Kim,2012).

Social trust of others influences consumer intention to share information in an online community. This shows how consumers distinguish themselves from their peers and can be a predictor of their eWOM behaviour. This demonstrates a cultural

moderator, because Individuals differentiate in culture through perceptions, thoughts and behaviours. Lee *et al.* (2012) describe how consumers see themselves in relation to others as self-construal. One type of self-construal values independence viewing themselves as distinct from the group, while the second type of self-construal is interdependent, and these individuals value group harmony and connectedness and have a preference for relationships with others (Lee *et al.*, 2012). Self-construal therefore appeals to the individualism (IDV) and collectivism (COL) of culture.

#### **3.2.5.8 Branded online community as moderator**

An online brand community is where marketers and consumers create virtual brand communities and serve as an online promotion platform (Lee *et al.*, 2012). It is further explained as a group of consumers with strong social identities, whose members engage jointly in groups to accomplish goals collectively (Baghozzi and Dholakia, 2006). Lee *et al.* (2011) investigated the role of brand trust of online information sources, and found that consumer-created online brand communities led to higher intentions to engage, than marketer-online communities. Therefore, the type of online brand community can determine the level of eWOM participation, so increasing trust in the social commerce firm. Das (2016) explored the antecedents of trust from an online retailer perspective, and concluded that the branding antecedents of brand awareness, brand associations and brand perceived quality – positively influence trust and impact purchase intention, repurchasing, and product recommendations (Das, 2016:715). Online recommendations are a type of EWOM, and therefore it can be concluded that a positive positioning of the brand in the mind of the consumer will moderate the trust in the online retailer, which in turn effects the product recommendations of that online retailer.

#### **3.2.6 Website design and information system**

Cyr (2008) researched website design (visual, navigation and information design) across cultures – specifically investigating *relationships to trust, satisfaction and e-loyalty*. Cyr concluded that design elements do impact website trust, satisfaction and e-loyalty across cultures. Yoon (2002) sought to investigate *the antecedents and consequences to trust in online-purchase decisions*, and found that website properties were significantly aligned to trust, and concluded that the image of a website is essential (Yoon, 2002). In a physical store, the buyer would interact with the salesman. Online, however, the buyer interacts with the design interface, demonstrating how important the design is for keeping the consumer satisfied. Lee and Lin (2005) confirmed that website design positively influences consumer satisfaction (Ganguly *et al.*, 2010:305). Ganguly *et al.* (2010) investigated “the effects of website design on purchase intention in online shopping”, and concluded that website design factors were constituted as drivers of trust, and in turn lead to purchase intention. Ganguly *et al.* (2010) also examined the moderating role of culture, and concluded that culture does moderate the relationship between website design factors and trust, and also between trust and purchase intention.

### **3.2.7 How trust influences purchase intention in online environments**

This section revises the literature from previous sections pertaining to trust and purchase intention, from an e-commerce and social commerce perspective. Fishbein and Ajzen (1975) define purchase intention as “the strengths of one’s intentions to perform a specific behavior” (Fishbein and Ajzen, 1975:288). Mcknight *et al.* (2002) adopted the Theory of Reasoned Action (TRA) – asserting that “trusting beliefs (regarding the perception of web attributes) lead to trusting intentions which lead to trust related behaviour” (McKnight *et al.*, 2000:336). Mcknight *et al.* (2002) frequently reference the relationship between trust and online transactions (Lu *et al.*, 2016; Kim and Park, 2013).

Various characteristics have been previously verified to influence user trust online: characteristics of websites, characteristics of people, and characteristics of companies (Gefen, 2000; Cheung and Lee, 2006; Jarvenpaa, 2000). Social commerce characteristics facilitate online purchasing, if they are presented favourably to the consumer (Kim and Park, 2013). These constructs assist growth in social commerce, as brands are enabled to make better decisions on how to generate favourable leads.

In a social commerce context, intention to purchase is defined as a “customer’s intention to engage in an online transaction on social networking sites through an e-retailer” (Hajli *et al.*, 2017:134). Trust does drive purchase intentions through increased information seeking behaviour and through social commerce constructs (Hajli *et al.*, 2017). In conclusion, through the process of gathering product information with the assistance of online communities and social commerce tools, trust is developed – which increases the intentions to purchase. This aligns with previously mentioned literature (see Lu *et al.*, 2016). Co-creation and participation in the information-seeking process positively develops trust (Hajli, 2015a) and social interaction facilitates purchase behaviour. Lu *et al.* (2016) argue that behavioural intention is the “most influential predictor of behavior” – implying that purchase intention can represent purchase behaviour (Lu *et al.*, 2016:229). Lu (2016) further demonstrates that trusting beliefs in online sellers are closely related to transaction intentions with the same online seller (McKnight *et al.*, 2002; Pavlou, 2003). In this study research framework, trust signifies Kim and Park’s (2012) cognitive and emotional trust, which influences trust performance that is the user’s intention to purchase.

Group buying has also been proven to positively affect group purchase intention (Cheng, Sai, Cheng and Chen, 2012). Group buying thrives in social media through leveraging the online community. Social proof theory reinforces several arguments raised in prior social commerce literature. First, the power and influence of social interactions in a community facilitate purchase behaviour. Second, social interactions within a community builds trust, and trust is antecedent to purchase

intention. Third, group buying behaviour closely mimics social commerce community behaviour, in that the community is used for cues, and people behave as their friends and peers have behaved. Social proof has also been studied within the cultural context, using Hofstede's dimensions of individualism and collectivism.

In a social media-focused paper by Viljoen, Dube and Murisi (2016), the social media platforms of Facebook and Twitter are explored for their comparable credibility in the South African market. Their study reinforces how Facebook and Twitter influence consumer intention to purchase in the context of mobile phones. The sample comprised Facebook and Twitter users living in East London, in the Eastern Cape. The sample group is highlighted as a limitation in the study – respondents should be more spread out to ensure that the results are more generalisable (Viljoen *et al.*, 2016). Twitter was found to influence purchase decisions more strongly than Facebook. Although this study reconzed Twitter as a more influential platform than Facebook, only 22% of South African social network users are active on Twitter, which is almost half the active users on Facebook. Both platforms were however, recognised as being able to significantly influence purchase intention. Something to consider is that Twitter comprises of opinion leaders (micro influencers) that are deemed to be highly influential and more credible and their followers want to emulate them of which followers want to emulate (Viljoen *et al.*, 2016) – and therefore purchase intention is higher. A further significant point that is relevant to this study, is the increased interaction between brand and user – which strengthens relationships and promotes trust. As discussed in the previous section, Das (2016) confirms that online retailer awareness, association and quality, is positively related to purchase intention, repurchase and recommendation (Das, 2016).

### **3.3 CHAPTER CONCLUSION**

The chapter explored online trust from an e-commerce and social commerce perspective, including the barriers to trust online, the importance of trust in social commerce, and what factors influence this trust. This chapter proposed that trust formation in one culture cannot be presumed to be the same for another culture.

### **3.4 CHAPTER SUMMARY**

In this chapter, trust was first explored broadly giving context to its multi-dimensional application. The various types of online trust were briefly reviewed to give an idea of how this study chose to adopt cognitive and emotional trust. The significance of trust was outlined through the uncertainty and perceived risks of transacting online (Kim *et al.*, 2008). In the previous chapter, this study showed how social commerce constructs develop trust, which results in a socially interactive, socially supportive, and socially warm social commerce firm. In this chapter, however, the focus turned to understanding what influences online trust in social commerce.

Social commerce characteristics, and website and information systems are drivers of online trust, which in turn influence purchase intention. Das (2016) further highlights online retailer awareness, association and quality as being positively related to purchase intention, repurchase, and recommendation (Das, 2016). Here, the literature introduces culture and how trust perceptions vary from one culture to another. This highlights that trust is measured unequally in different cultures, and one cannot assume one trust-building strategy will work for all cultures.

The next chapter explores culture in marketing. First, culture is defined as a multi-dimensional construct highlighting how globalisation and advancement of web 2.0 have exposed businesses to cross-cultural consumers. Hofstede's national cultural framework is introduced and the cultural dimensions are defined – after which the applications of Hofstede's national cultural model are explored. Thereafter, culture and online trust are examined. The different fields of application of these cultural dimensions are then explored through previous studies and then the gaps in the research in online culture at the individual level are then identified. Online cultural studies are identified through exploring online culture marketing.

## CHAPTER 4

### CULTURE IN MARKETING

#### 4.1 INTRODUCTION

In the last chapter, the application of trust was assessed within an online context. The literature raised questions on the effects of culture on trust and the significance of cross-cultural differences – appealing for further exploration of this influence in future works (Doney and Cannon, 1997; Jarvenpaa *et al.*, 2000; Ng, 2013; Kim and Park, 2013). In South Africa's rural Kwazulu-Natal, Lekhanya (2013) investigated the cultural impact of social media technology adoption, and found that cultural values do affect the adoption of new social media technologies (Lekhanya, 2013) – which is a reason to undertake further research on the effects of culture.

This chapter begins by examining the definition of culture, the applications of Hofstede's model and discussions around applying culture at the individual level. The cultural dimensions are then outlined, and the criticisms of the model are evaluated in order to raise awareness of the shortcomings. The literature on the effects of national culture on trust in ecommerce and social commerce is explored, in order to assist with the development of the research question.

#### 4.2 DEFINITION OF CULTURE

Culture is a multi-dimensional construct and there are various definitions across various fields of study. In an e-commerce study, it is described as “a group of individuals sharing a similar way of thinking, feeling or behaving” (El Said and Galal-Edeen, 2009:34), and is considered to be “one of the most abstract elements affecting human behaviour” (Sabiote *et al.*, 2011:160). In this study, Hofstede's national cultural dimensions are employed to understand the influence of each cultural value. Using the works of Hofstede (1980, 1991, 2001, 2011), Hofstede defines culture as “the collective programming of the mind which distinguishes the members of one group or category of people from those of another” (Hofstede, 1991:5). Culture is a learned condition and a type of framework where people learn to organise their emotions, perceptions, thoughts and behaviours. Hofstede (1980, 1991) developed a cross-cultural framework, which has allowed academics and businesses to understand the influence of culture on consumer behaviour. Before the internet and the subsequent globalisation and advancement of communication technologies, cultures were relatively shielded. However, web 2.0 has brought cultures closer together, through the ability to interact and engage on global e-commerce sites and social commerce platforms – so blurring cultural borders (Pavlou and Chai, 2002) and converging opposing cultures such as in the East and West. This has exposed businesses to cross-cultural customers and has driven academics to continue researching how culture differentiates in consumer decision-

making. Marketeers might be aware of the reach of online, but they probably are unaware of how to manage cross-cultural differences on trust, which impacts on business performance. Despite the undeniable differences in national cultures (Hofstede, 1980, 2001), as well as the intra-cultural differences (Hallikainen and Laukkanen, 2018; Srite and Karahanna, 2006), the effects and extent of cultural influence on trust still remain largely misunderstood by brands. The significance of understanding how culture moderates social commerce shopping behaviour through its effects on the relationship between trust and purchase intention, will build on the knowledge needed to align marketing strategies with the global consumer (Cheung, 2005).

### **4.3 HOFSTEDE'S NATIONAL CULTURAL FRAMEWORK**

Geert Hofstede's Model of National Culture is a framework that is considered to be the most reliable measure of national culture (Sabiote *et al.*, 2012; Yenyurt and Townsend, 2003). Essentially the model provides a cross-sectional comparison of national cultures using common characteristics, which then result in a score. The score can be used to evaluate the differences and similarities with other country scores, which results in a cross-cultural comparison (Venaik and Brewer, 2016). Hofstede's framework was developed by examining cross-cultural national values spanning 40 countries and 116 000 respondents – which illustrates the enormous depth of the study. The results have tested accurate across 38 other countries (Pavlou and Chai, 2002:242). The model separates cultures through four dimensions: masculinity-femininity, individualism-collectivism, power distance, and uncertainty avoidance (Hofstede, 2011). According to Ng (2013), Michael Bond and Michael Minkov (Ng, 2013:611) suggested the extension of the four cultural dimensions to include long-term orientation and indulgence, respectively. Societies with a high level of indulgence include individuals with positive emotions, who are educated people who see freedom of speech as being important and get pleasure out of life (Hofstede, 2011). Due to this later definition, and that this study is in context of an emerging economy where education levels are low and unemployment rates are high, indulgence has been excluded. Hofstede's model has mostly been used to analyse management behaviour in a cultural context; however, academically, it is considered to be the “most influential model within social science research receiving strong empirical support” (Pavlou and Chai, 2002:242).

The next section explains the applications of the framework in the literature, the definitions of the national cultural dimensions, and the Hofstede's model

#### **4.3.1 Hofstede's national cultural dimensions**

The cultural dimensions were formulated to illustrate how cultural preferences differentiate across national cultures. The national cultural dimensions are allocated scores from 1-120, and these scores differ according to the various regions where the country is positioned (Hofstede and Minkov, 2010). The differences in the dimensions of culture will help the author establish conclusions about how culture

affects consumer behaviour in social commerce through its effect on trust. As discussed in the previous section, culture will be measured at the individual level. The overall argument presented by Vernaik and Brewer (2013), is that Hofstede's national cultural dimensions were founded from an international employee attitude survey, from which the individual level values were then applied to national level culture constructs (Vernaik and Brewer, 2013:575), which will inaccurately reflect actual individual culture.

Individualism-collectivism (IDV) refers to the level of behaviour regulation by individuals or groups. IDV is defined as the degree of interdependence a society maintains among its members (Hofstede, 2001: 209), and these cultural groups are more willing to rely on strangers and to trust them (Yoon, 2009). The IDV/COL dimension is, according to Goodrich and de Mooij (2013), important for understanding differences in online buying influences and communication behaviours between individualistic cultures and collectivist cultures. Individuals search for information for their own wellbeing, whereas in collectivistic cultures electronic media such as social commerce are used for sharing ideas and opinions rather than for personal information search (Goodrich and de Mooij, 2013). In an individualistic culture, one's identity is believed to be the actual person, whereas in collectivist cultures one's identity is rooted into a strong and unified group, that they rely on for support, and because this group is social there is a strong connection in eWOM with products and brands (Goodrich and de Mooij, 2013).

Uncertainty Avoidance (UAI) is explained as the extent to which members of a culture feel threatened by ambiguous situations, and how they deal with the unknown (Pavlou and Chai, 2002; Hofstede, 1981). Hofstede (2001) maintains that different cultures adapt to uncertainty in different ways and this stems from the societies cultural heritage (Hofstede, 2001:146). It is not the same as risk avoidance (Hofstede, 2001; Goodrich and de Mooij, 2013); however, although high UAI cultures shy away from uncertainty, ironically they may be prepared to engage in risky behaviour to reduce these uncertainties (Goodrich and de Mooij). Uncertainty about the trustworthiness of an online store, is one of the central reasons why individuals do not engage with an online webstore. Uncertainty avoidance has frequently been cited as a cultural dimension affecting the trust of individuals in an online environment (Kim and Park, 2012; Ng, 2013). In low UAI cultures, individuals seek more opinions, but from impersonal sources such as websites – compared to individuals from high UAI cultures where decision-making is based on trust.

According to Hofstede (2001), long-term vs short term orientation is how every society maintains links with its own past while dealing with challenges of the present and future (Hofstede, 2001). The data for this dimension is relatively new and therefore there are only recent studies (see Goodrich and de Mooij, 2013). A low value or short-term orientated culture emphasise tradition, national pride and the importance of service to others. Short-term orientated collectivist cultures in Latin America, for example, portray themselves more expressively than long-term

collectivists who portray themselves modestly. Americans are short-term orientated and their self-enhancement can be seen through their choice in social media (Goodrich and de Mooij, 2013), while Brazilians, for example, are long-term orientated – which means their image reflects their status and they require more trust in business relationships than short-term cultures. Furthermore, long-term orientation cultures build business relationships over time, and mutual trust is considered essential.

Hofstede (2001) maintains there is a common distribution of gender roles in society and many studies confirm male assertiveness versus female nurturing (Hofstede, 2001: 280). A high Masculine (MAS) score indicates that the society will be driven by masculine features such as competition and success – emphasising material accomplishments. Performance and conflicts are resolved through direct action (Srite and Karahanna, 2006). Hallikainen and Laukkanen (2018) maintain that masculine cultures are action-orientated and so the trustworthiness of an online store will likely be judged by its capabilities (Schoorman, Mayer and Davis, 2007) and efficiencies.

Power Distance (PDI) is the dimension acknowledging that not all people in society are equal, and is the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally (Hofstede and Hofstede, 2001). In low PDI cultures, individuals depend less on others and base their decision-making on factual sources – purposefully gathering information throughout the decision-making process (Goodrich and de Mooij, 2013). In low PDI cultures, individuals actively engage in decision-making together, and they are well read (Mooij, 2011). In high PDI cultures, individuals prefer personal sources of recommendation, such as consumer-to-consumer interactivity (Cho and Cheon, 2005).

#### **4.3.2 Applications of Hofstede's model**

Hofstede's national culture model has long been used to facilitate the analysis of culture in management behaviour (Vernaik and Brewer, 2016) to manage internal cultural diversity for strategic advantage – and has since been applied across various fields of academic work using a variety of theoretical frameworks. Mooij and Hofstede (1980) applied the model to understand consumer behaviour differences across cultures within a global branding and advertising strategy context. Straub, Keil and Brenner (1997) tested cultural factors affecting IT adoption across cultures using the Technology Acceptance Model (TAM). Pavlou and Chai (2002) investigated e-commerce adoption across cultures through the Theory of Planned Behaviour (TPB). The national cultural dimensions have been used to measure cultural diversity differences effecting website design and trust – as well as website perceptions (Cyr, 2008, 2013) and consideration of cultural differences in the design of information systems (Choe, 2003). Park, Gunn and Han (2012) furthered the influence of culture on online trust, and included various other significant studies exploring the cross-cultural effects of culture on trust (Hassanein *et al.*, 2009; Yoon,

2009; Hallikainen and Laukkanen, 2018; Ganguly, Dash, Cyr and Head, 2010; Ng, 2013). Finally, more recent social commerce studies have concluded that there are possible cultural effects in the outcomes to their research (Hajli, 2015, 2017; Kim and Park, 2013). Despite the wide application of the model, no studies apply the national cultural dimensions at the individual level within a social commerce context – testing the relationship between trust and purchase intention. Before defining and explaining the national cultural dimensions, critique of the model is evaluated by Vernaik and Brewer (2016), which is discussed in the next paragraph.

Previous studies highlighted critical issues in Hofstede's framework (Ng, 2013:618). This study agrees that cultural values do change over time, as culture evolves over time through "political changes, social factors and integrated global economies" (Ng, 2013:618). However, his model has also been challenged for using countries as a surrogate for culture (Ganguly *et al.*, 2010), as well as because of inconsistencies with the definitions of the dimensions and how the cultural scores were calculated and applied (Vernaik and Brewer, 2013, 2016).

Particularly in cross-cultural studies, a 'country' has been used as a surrogate for culture (Cyr, 2008; Hassanein *et al.*, 2009; Ng, 2013) – and other studies have adopted Hofstede's (1981, 1991) cultural framework at the individual level (Srite and Karahanna, 2006; Yoon, 2009; Hallikainen and Laukkanen, 2018). No consensus exists on which approach is applied correctly, but Vernaik and Brewer (2013) provide strong arguments on the caution to be applied when using the cultural dimensions in cross-cultural studies, because national culture is richly complex (Vernaik and Brewer, 2013:577). It can be argued that larger cultural differences exist between countries than within countries. Vernaik and Brewer (2016) challenge Hofstede's original application arguing that culture is more than just a generalised value – culture is deeply complex and diverse. In conclusion, the averages of the cultural dimensions give way to stereotyping and fail to capture the different 'archetypes' found within countries (Vernaik and Brewer, 2016).

#### **4.3.3 Hofstede's application to South Africa**

South Africa is known for its rich multicultural diversity, where applying Hofstede's cultural dimensions at a national level would not accurately reflect the diverse characteristics of its individuals (Triandis, 2004), or accurately measure the different levels of behaviours present (Srite and Karahanna, 2006). However, Hofstede's national cultural dimension scores have been populated from only one 'cultural' segment of the population. Hofstede bases South Africa's national cultural score on data taken only from the white population, as identified by this quote on their website: "The scores here are for the white population of South Africa. The majority of the population is Black African, and their scores may be different from those presented above" (Hofstede *et al.* 2010).

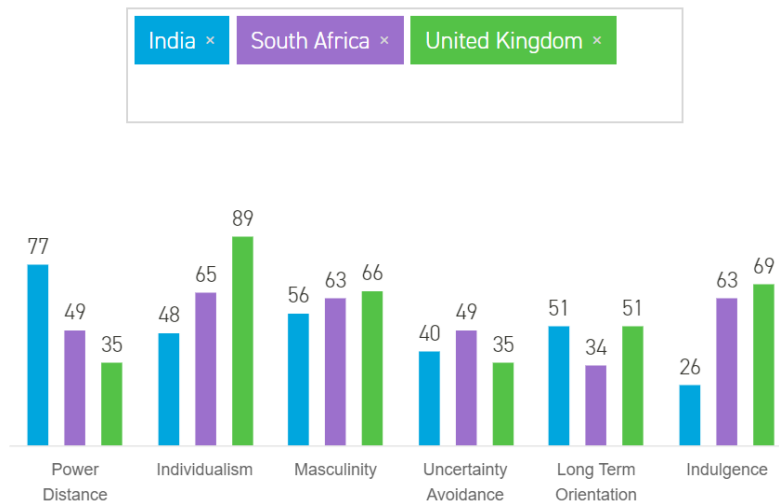
In response to the inaccurate sample used for the cultural scores for South Africa, Table 4.1 (below) shows the population estimates for South Africa by population group. Considering that the white population comprises 7,8% of the total population, Hofstede’s sample is exceedingly inaccurate – which is misleading and will give irregular conclusions. South Africa is a multicultural society comprising many sub cultures, each applying their own unique values and perceptions. If this study seeks to understand how individual culture effects trust, the results will be grossly misrepresented by using a sample restricted to only one cultural segment.

**Table 4.1: 2018 Mid-year population estimates for South Africa**

Population group	Male		Female		Total	
	Number	% distribution of males	Number	% distribution of females	Number	% distribution of total
<b>Black African</b>	22 786 200	80,9	23 896 700	80,9	46 682 900	80,9
<b>Coloured</b>	2 459 500	8,7	2 614 800	8,9	5 074 300	8,8
<b>Indian/Asian</b>	740 200	2,6	708 100	2,4	1 448 300	2,5
<b>White</b>	2 194 200	7,8	2 325 900	7,9	4 520 100	7,8
<b>Total</b>	<b>28 180 100</b>	<b>100,0</b>	<b>29 545 500</b>	<b>100,0</b>	<b>57 725 600</b>	<b>100,0</b>

Source: <http://www.statssa.gov.za/publications/P0302/P03022018.pdf>

To further highlight the distinct differences in culture and consumer behaviour between the white and black African demographic segments, the current study turns to a study by Lappeman *et al.* (2017) that investigated brand-switching behaviour among Bottom of the Pyramid (BOP) consumers. First, Lappeman *et al.* (2017) estimated that 35-70% of the South African population are (BOP) consumers, and if 80.8% of the population are black Africans, it is fair to argue that this segment will make up the majority of BOP. Second, Lappeman *et al.* (2017) refer to Chipp, Corder and Kaneliani, (2013), who identify (BOP) “consumers to be generally community-orientated and fit a collectivists perspective” (Lappeman *et al.*, 2017:9). On the other hand, according to Hofstede’s sample which can be viewed in Figure 4.1 (below), the white population are predicted to be high scoring individualists. This discussion therefore confirms the inattention of Hofstede’s sample, which will be further elaborated on in the discussion on the limitations of the study.



**Figure 4.1: Cultural scores of South Africa, India and the United Kingdom**  
**Source: Hofstede (2001).**

Despite the explanation of the shortcoming of the sample used, the scores will be included in this study, as the author wishes to compare these scores with the results of the current research in order to draw comparable conclusions. It also presents unlimited future research opportunities. For the above reasons, this study will measure culture at the individual level.

#### 4.4 CULTURE AND ONLINE TRUST

Trust has been identified as being critical in an online community (Hajli, 2015a), and has been cited by academics as a fundamental component when users face uncertainty and high risk in online transactional environments (Kim, 2011; Hsiao, 2010; Doney and Cannon, 1997; Gefen, 2000; Kim *et al.*, 2008). Trust has been established to develop through social interactions (Hajli, 2015), social commerce constructs have been established to promote higher levels of trust (Lu *et al.*, 2010; Hajli, 2015) – while trust has also been established as an antecedent to purchase intention (Kuan and Brock, 2007; Kim and Park, 2012). The presence of trust in social commerce is therefore proven to be of paramount importance. In this study, if the consequence of trust is purchase intention – then motivating reasons exist to explore to what degree the cultural dimensions moderate this relationship.

Gefen and Heart (2006) outline important work around trust and national culture – asserting that research originating from the USA should not generalise the outcomes to other countries (Gefen and Heart, 2006:2). Gefen and Heart (2006) found that trust beliefs apply across cultures, but that the effects of trust beliefs differ across national cultures. Because culture has been argued by academics to impact on the level of trust (Ng, 2012; Hu *et al.*, 2016), further research should be conducted to develop an understanding of the implications that culture has on trust in social

commerce – specifically within a developing and culturally rich country like South Africa. Shavitt, Lee and Torelli (2008) recognise the ineffective marketing campaigns that result from multinationals who copy and paste international campaigns into different countries – which are likely to be segmented by different sub cultures

Straub, Heil and Brenner (1997) were curious to understand whether the adoption of the Technology Acceptance Model (TAM) would apply to different cultures outside of its application in North America. The three countries used in the study were the USA, Switzerland and Japan (Straub *et al.*, 1997:5), which were chosen strategically to allow predictions and assumptions of the outcome given the cultural differences between the three countries. While outdated, this paper has been referenced in current works (Yoon, 2009; Sabiote *et al.*, 2012) as it acknowledges that cultural differences can lead to the success or failure of the adoption of IT in an organisation. Therefore, it paves the way for future online culture studies.

Ng (2013) researched the moderating role of culture and the mediating role of trust between social interactions and purchase intention in social commerce, between Latin American and East Asian countries. The outcome of the study is of great interest, as it examines whether culture moderates the relationship between social interactions and purchase intention. This is a similar study to the current study, except that the current research measures culture at the individual level, not cross-culturally, and all five dimensions are used – unlike only two dimensions used by Ng (2013). In Ng's study, trust was found to be moderated by culture (Ng, 2013:617). In the conclusion, social interactions were found to be good predictors of trust, and trust in a social network site was found to significantly influence purchase intention.

Choe (2003) maintains that the design of information systems (IS) in western culture cannot apply to other cultures (Choe, 2003). Choe (2003) investigated whether there was a cultural impact on information characteristics of management accounting information systems, and found differences between Koreans and Australians in the amount of financial performance information provided (Choe, 2003). Choe (2003) demonstrated that firms in different countries, tend to demand different information in order to improve business performances for example, Korean culture has a high uncertainty avoidance score – meaning they prefer formalized information and do not tolerate ambiguity, as it is high in risk. To reduce this risk, they seek out information that they deem to be more credible. These results were in contrary to the Australian firms deemed highly Individualistic.

#### **4.5 CHAPTER CONCLUSION**

Chapter four focuses on culture, outlining Geert Hofstede's cultural framework that has been used in the study, and further explains the application of the national cultural dimensions. The academic research conducted on the relationship between culture and trust rearticulated the importance of trust in a social commerce environment.

#### **4.6 CHAPTER SUMMARY**

The research question involves understanding whether culture moderates the relationship between trust and purchase intention in social commerce shopping behaviour. Previous literature (Hofstede, 1981) shows that different countries have varying cultural values and norms – implying that the behaviour of social commerce users and their intention to purchase should not be equivalent across cultures. Therefore, different cultural values require different marketing messages (Shavitt *et al.*, 2008). As the influence of globalisation and the internet has increased, the need to market more effectively to various subcultural groups has emerged.

Geert Hofstede's national cultural dimensions are introduced as the cultural framework for this study, and the five dimensions applied in this study are defined – Individualism (IDV), Uncertainty Avoidance (UVI), Long-Term Orientation (LTO), Masculinity (MAS), and Power Distance (PDI). The cultural model is evaluated, which has been validated with strong empirical support (Pavlou and Chai, 2002). Furthermore, cross-cultural studies using Hofstede's dimensions of national culture framework (Ng, 2013; El Said and Galal-Edeen, 2009; Sabiote *et al.*, 2012; Yoon, 2009) demonstrated that trusting beliefs differentiate across cultures (Gefen and Heart 2006). Trust beliefs differ from one culture to the next (Gefen and Heart, 2006), which gives strength to the research question on investigating whether cultural dimensions moderate trust in social commerce shopping behaviour.

The chapter to follow, focuses on the conceptual framework of the study, which outlines the theoretical frameworks adopted – the Theory of Reasoned Action and Hofstede's national cultural dimensions. This assembles the six hypotheses through previous academic literature, and concludes with the final conceptual model.

## CHAPTER 5

### CONCEPTUAL MODEL DEVELOPMENT

#### 5.1 INTRODUCTION

A conceptual model in the context of empirical research represents the researcher's interpretation of the literature on how to explain a phenomenon, and identifies the variables required in the research investigation. The conceptual framework is embedded in the broader theoretical framework. The foundation of a theoretical framework is deep-rooted theories, which are established from the outcomes of previous research on why and how a certain phenomenon occurs. In this chapter, the online theoretical frameworks associated with consumer behaviour and social commerce are briefly outlined. Hofstede's national cultural dimensions, as depicted in Figure 5.2 and the Theory of Reasoned Action, depicted in Figure 5.3 which are the two frameworks integrated into this study, are reviewed in the context of previous studies. The conceptual model identifies the main variables in this study – after which the hypotheses are developed.

#### 5.2 THEORETICAL FRAMEWORK

Of the studies investigating consumer behaviour in social commerce, the most popular of the 23 theories identified by Zhang and Benyoucef (2016) are culture-related theoretical perspectives, motivation theory, and the theories of reasoned action and planned behaviour. Some of the different theoretical frameworks applied in social commerce are listed in Table 5.1 (below) Regarding the culture theories, most studies apply Hofstede's national cultural dimension framework (Zhang and Benyoucef, 2016) which can be seen in Figure 5.1.

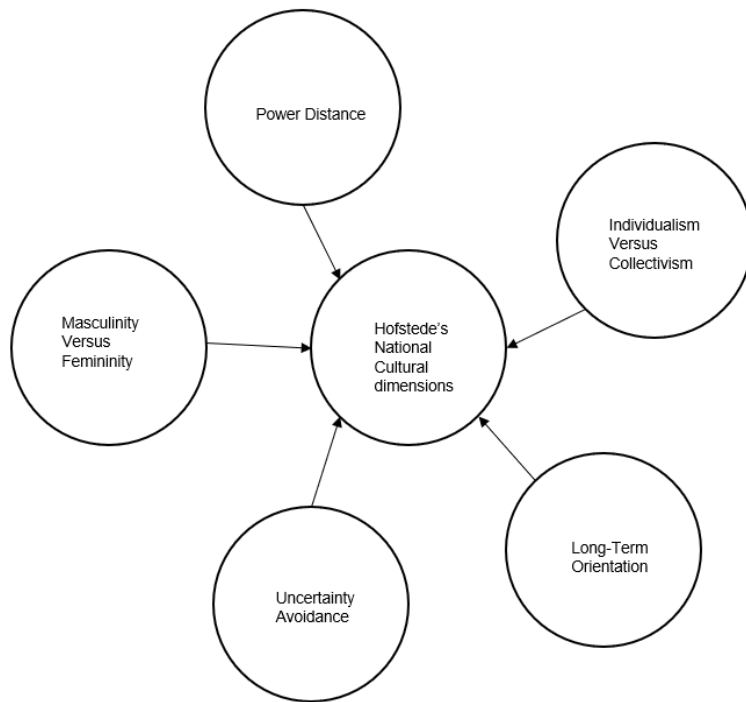
In Goodrich and de Mooij (2013), Hofstede's national cultural dimensions were used to determine the influence of culture on decision-making in social media. Ng (2013) used Hofstede's dimensions to investigate the cross-cultural differences in the intention to purchase in social commerce. Li (2014) adopted a culture-learning model in the context of acculturation to examine the effects of using social networking sites on ethnic consumers.

**Table 5.1: Types of theoretical frameworks used in social commerce**

No.	Social commerce study	Author	Date published	Theoretical framework
1.	Investigating the drivers for social commerce	Yahia <i>et al.</i>	2018	Unified Technology Acceptance and Use of Technology Model
2.	Social Interaction-based consumer decision -making model in social commerce: The role of word of mouth and observational learning	Wang and Yu	2017	Theory of Reasoned Action and Planned Behaviour
3.	Analyzing determinants influencing an individuals intention to use social commerce website	Lal.	2017	Social Network theory / Task Technology Theory
4.	An empirical investigation of information sharing behaviour on social commerce sites	Liu, Cheung, Lee	2016	Social Capital Theory
5.	Consumer's decisions in social commerce context: An empirical investigation	Shen and Shen	2015	Trust Transference Theory
6.	Building brand loyalty through user engagement in online brand communities in social networking sites, Information ,technology & people	Zheng, Lee and Liang	2015	Social Exchange Theory
7.	A tale of two social networking sites: How the use of Facebook and Renren influences Chinese consumers' attitude toward product packages with different symbols	Li	2014	Culture Learning Model
8.	Intention to purchase on social commerce websites across cultures: A cross-regional study	Ng.	2013	Trust Transference Theory
9.	What motivates customers' to participate in social commerce? The impact of technological environments and virtual customer experiences	Zhang <i>et al.</i>	2012	Stimulus -Organism-Response Model
10.	The applications of social commerce constructs	Shanmugam <i>et al.</i>	2016	Social Support Theory
11.	What drives Social Commerce: The role of social support and Relationship Quality	Liang and Turban	2012	Social Support Theory
12.	The role of self-construal in consumer's electronic word of mouth (eWOM) in social networking sites: A social cognitive approach	Lee, Kim and Kim	2012	Social Cognitive Theory

*Note:* Researchers own summary

To effectively answer the research question, which requires evaluating the influence of culture on the relationship between trust and purchase intention, this study adopts Hofstede's national cultural dimensions. Although Hofstede's national cultural framework has been criticised for its validity (Venaik and Brewer, 2016) – it has been applied in over 200 comparative studies supporting the national cultural dimension indices (Goodrich and de Mooij, 2013). It has also been successfully applied to many online cross-cultural studies (Choe, 2004; Gefen and Heart, 2006; El said and Galal-Edeen, 2009; Hassanein *et al.*, 2009; Hallikainen and Laukkanen, 2018; Yoon, 2009; Ng, 2013), which supports the adoption of the framework in this study.



**Figure 5.1: The national cultural dimensions used in this study**

### 5.2.1 The TRA Framework

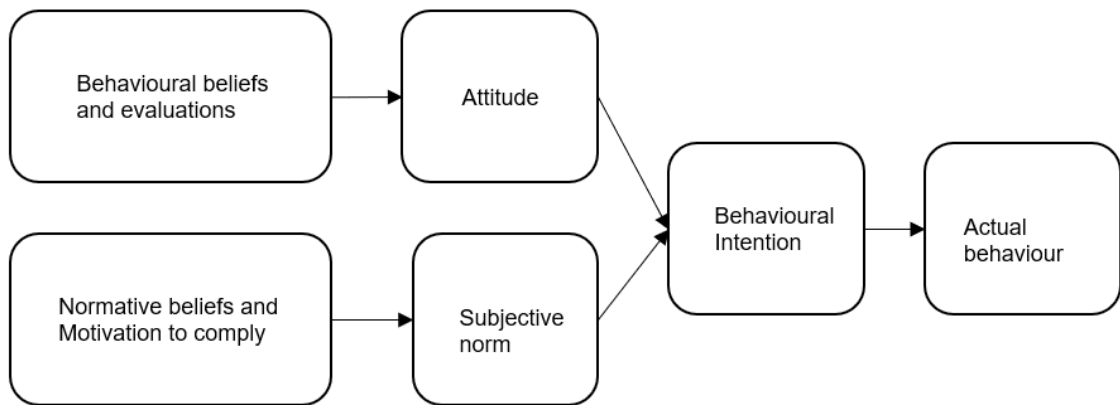
The Theory of Reasoned Action (TRA) of Ajzen and Fishbein (1980) is a well-established social psychological model and provides background to explain the relationship between attitude, intention and behaviour (Yousafzai, Foxall and Pallister, 2010). A depiction of the model can be seen in Figure 5.2. It has been applied across many behavioural fields, such as communication behaviour, consumer behaviour and health behaviour. The successful application of the TRA is demonstrated in a review on the TRA by Sheppard, Hartwick and Warshaw (1988), where 87 estimates of the predictability of the intention and behaviour were found. McKnight (2002) used the TRA to develop trust measures in e-commerce, and found that trusting beliefs positively affect trust intentions – which influence trust behaviours. More recently, the TRA has been applied to online behavioural studies. In a study by Lee and Lee (2011), the TRA was found to be a robust theory used to examine the factors influencing the intention to watch online video advertising. Yusuf *et al.* (2017) applied an integrated model using the TRA, to measure whether the attitudes toward eWOM had a positive influence on purchase intention in social commerce. Kim and Park (2013) adopted the TRA to examine purchase intention in social commerce. Sheldon (2016) used the TRA to investigate factors influencing professor and student intentions of adding friends in Facebook. Furthermore, in an integrated study using the technology acceptance model (TAM), TPB and TRA to determine the key predictors of online purchase intention in Columbia, attitude was found to be a key variable in predicting online purchase intention (Dakduk *et al.*, 2016). The TRA has been applied into the trust and purchase intention concepts as

the consumers' behaviours. Because the behaviour outcome is determined by the consumers' attitude, the current study applies the trust concept as the individuals belief which impacts this behaviour. Given that the TRA has also been widely adopted in previous studies on behaviour intentions, it can be considered to be an appropriate base of theory for studying purchase intention in this study.

This study evaluates the relationship between trust and purchase intention in social commerce explaining the application of TRA in the model. Gefen and Straub (2004) consider trust as a mediator between behavioural intentions, Individual characteristics, online environments, and information technology. Various types of trust have been examined to explain individual specific behaviour (McKnight, 2002) – and in this study trust is examined to explain the positive influence on purchase intention, and therefore influencing trust-related behaviours in social commerce. While intention to purchase is not an actual behaviour, previous studies (Pavlou and Gefen, 2004; Dakduk *et al.*, 2016) have confirmed consumer intentions to engage in an online transaction is a predictor of consumers' actual participation in online transactions (Ajzen and Fishbein, 1980). Therefore, the TRA is a well-suited framework for the study.

### **5.2.2 Explaining and evaluating the TRA**

As depicted in Figure 5.2 (below) behavioural intention is a combination of personal and social factors influencing an individual's probability of engaging in a specific behaviour (Park, 1998). Attitude is defined as “the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question” (Ajzen, 1991:188). This means that an individual's attitude toward behaviour is determined by the probability the behaviour will produce an outcome (Ajzen, 1975). The subjective norm is the individual's perception of social pressures and is defined as “the perceived social pressure to perform or not to perform the behaviour” (Ajzen, 1991:188). In social commerce, this pressure could come from peers and family in social networking sites – and even more interesting behaviours occur in different cultural groups such as collectivist cultural groups as opposed to individualistic cultural groups. Park (2000) tested the TRA across cultures, examining the relationships among attitudes and subjective norms, and personal attitudes were the only significant predictor of behaviour intention for people from both cultures. This aligns with findings from a study by Dakduk *et al.* (2016).



**Figure 5.2: Theory of reasoned action (Fishbein and Ajzen, 1975)**

However, TRA does come with limitations. For the TRA to predict intentions successfully, it assumes that individuals can think clearly and consider their actions before acting out the behaviour (Ajzen and Fishbein, 1980), and there are certain conditions that must be factored in when evaluating the relationship between the intention and behaviour. The TRA's ambiguities have been questioned in previous studies, as per Sheppard, Hartwick and Warshaw (1988) – who review the limitations of the model due to its generality. Their argument is that much of the research using the application of the model has not used it to predict human behaviour, but rather successfully in the prediction of goals and behaviour (Sheppard *et al.*, 1988). Despite the wide application of the TRA and its successful application in more recent online studies (Kim and Park, 2013; Sheldon, 2016), it does suggest the consideration of an alternative behavioural prediction model such as the Integrative Model of Behavioural Prediction (IMBP) (Sheppard *et al.*, 1988). The IMBP integrates important aspects of the TRA, social cognitive theory, and the Theory of Planned Behaviour to provide a framework for identifying factors triggering performance or non-performance of behaviour (Fishbein and Yzer, 2003). These factors are knowledge about appropriate behaviour and the absence of environmental constraints such as stigma – which are two factors that could cease intention. The IMBP has been well applied by studies across the health sector (Robbins and Niederdeppe, 2014; Diteweg *et al.*, 2013), and will make an interesting alternative model in social commerce in the future – especially when evaluating the moderation of culture on purchase intentions. There is currently no social commerce theory using the (IMBP) and while this could be seen as a gap for future social commerce research, the current study focuses on developing current theory on trust and purchase intention in social commerce and therefore adopted a framework which has been well applied in this field.

### 5.3 HYPOTHESIS DEVELOPMENT

The major research questions in the study are: (1) whether Hofstede's national cultural dimensions moderate the relationship between trust and purchase intention; and (2) whether trust has a positive and significant influence on purchase intention in social commerce.

#### 5.3.1 Trust and purchase intention in social commerce

Purchase intention in the context of social commerce refers to consumers' intentions to engage in online transactions on a social networking site from an e-retailer (Hajli *et al.*, 2017b). Lu *et al.* (2016) argue that purchase intention is strongly connected to purchase behaviour. Their study reinforces that trust in online sellers closely correlates to purchase intention with the same online seller. Therefore, if a consumer trusts the brand (seller), they will be more likely to purchase from that seller than from a different online seller they did not trust or had less trust in. Their study maintains that social presence constructs are antecedent to trusting beliefs in a seller (Lu *et al.*, 2016: 232).

Various antecedents of online trust are outlined in the literature – demonstrating the positive effects of trust on purchase intention in social commerce. Kim and Park (2013) concluded that if social commerce characteristics provide a positive environment, then trust will be nurtured, which in turn facilitates trust performance (Kim and Park, 2013:328). Lu *et al.* (2016) align with Kim and Park (2013) and maintain that social commerce constructs stimulate user participation, which creates a more trustworthy transactional environment (Lu *et al.*, 2016; Hajli, 2015a). This study aligns with the latter positions, as social commerce constructs enable users to connect, share and assist one another with creating a better shopping experience. In addition, social commerce characteristics (Kim and Park, 2013) and social support have also been proven to influence trust (Shanmugam *et al.*, 2016). The interactive nature of social networking sites facilitates information-sharing behaviour and enhances trust in a community (Ng, 2013). Trust in a consumer's social networking community is likely to lead to a purchase from a social commerce site that has been recommended by their social community (Ng, 2013). Branded communities play a role in fostering loyalty, and e-loyalty is established by Cyr (2008) to be an antecedent to purchase intention. Therefore it is posited that:

$H_1$ . Trust has a positive and significant effect on purchase intention in social commerce.

#### 5.3.2 Long-Term Orientation (LTO)

A society or individual who holds a short-term orientation or low value LTO score, prefers consumption and maintaining materialistic status (Pavlou and Chai, 2002) – with little preparation for the future. South Africa has a low LTO score of 34 along with the United States (46), and in theory should align with the above narrative

(Hofstede, Hofstede and Miknkv, 2010). Contrary to this, a LTO society aligns with the teachings of Confucius which emphasise persistence and thrift, personal stability, steadiness and respect for tradition (Pavlou and Chai, 2002). The behaviour of LTO individuals is described as having control over their actions – taking time to make decisions until they are comfortable with the outcomes (Pavlou and Chai, 2002). South Korea and China are examples of countries exhibiting a high LTO with values of 100 and 87 respectively Hofstede, et al., 2010). Yoon (2009) concluded that in high LTO societies, building relationships is a social characteristic, and trust lies at the core of these relationships.

Hallikainen and Laukkanen (2018) evaluated consumer trust in Chinese and Finnish cultures using Hofstede's national cultural dimensions. They found a significant positive effect of the COL and LTO cultural dimension on disposition to trust. Individuals from high collectivist cultures are more likely to pay attention to the opinions of others in their society and to be influenced by their 'in-group' (Ng, 2013). A correlation exists between individualistic short-term orientation cultures like South Africa, and collectivist long-term orientation cultures such as China (Pavlou and Chai, 2002). Trust in a social networking site is developed through social interactions and relationships over a period of time (Ng, 2013). Therefore, it is posited that:

*H<sub>2</sub>: LTO positively and significantly moderates the relationship between trust and purchase intention in social commerce.*

### **5.3.3 Uncertainty Avoidance (UAI)**

Uncertainty Avoidance UAI is the extent to which members of a culture feel threatened by ambiguous situations, and how they deal with the unknown (Pavlou and Chai, 2002; Hofstede, 2011). Uncertainty about the future causes anxiety among these members, who prefer regulations. To assist with coping with the unknown, beliefs and institutions help alleviate these fears. Trust is therefore a more important requirement for individuals with a higher degree of uncertainty, and intention to purchase from a social commerce site will depend on the trust in the social networking site that is developed through social interactions over a period of time (Ng, 2013). Cyr (2013) tested the differences and similarities in trust levels in the perception of website design, using the cultural dimension of uncertainty avoidance between the West and East. The results showed the Western countries (Canada and USA) had a lower degree of uncertainty avoidance and a high level of institutional trust, with favourable perceptions toward website design, as opposed to countries with a higher degree of uncertainty avoidance and lower trust scores, such as China (Cyr, 2013:380). South Africa scores 49 on this dimension, similar to the United States, which in theory demonstrates a low to mid UAI and a society that is open to change and innovation (Hofstede et al., 2010) In a South African study, the privacy, security and reliability of online transactions were deemed to have a positive and direct relationship with online trust (Safa and von Solms, 2015). In their

social media study, interactions between brands and individuals strengthened relationships and promoted trust, while micro-influencers on Twitter were deemed as being highly influential to followers (Viljoen *et al.*, 2015). Therefore it is posited:

*H<sub>3</sub>: Uncertainty avoidance positively and significantly moderates the relationship between trust and purchase intention in social commerce.*

#### **5.3.4 Individualism (IDV) and Collectivism (COL)**

IDV is based on a high/low scale, with IDV countries receiving a high score and collectivist countries at the lower end. A highly individualistic person views themselves and their family as being more important than the collective group. In collectivist societies individuals belong to 'in-groups' (Pavlou and Chai, 2002:242). Western countries are examples of countries with a high IDV score, such as the USA, whereas collectivist countries (for example China) rely on their social community for support (Ng, 2013), and are less likely to act individually.

Yoon (2009) tested the national cultural dimension of IDV among Chinese shoppers, and predicted the higher the degree of IDV the higher the trust levels in terms of using the online store – but the results showed no significant effect. Hallikainen and Laukkanen (2018) showed a positive effect of collectivism on disposition to trust, which has a significant role in trust development within collectivist groups (Hallikainen and Laukkanen, 2018). This aligns with Pavlou and Chai (2002), who assert that collectivist society individuals belong to 'in-groups' that display strong relationships and interdependence. The collectivist in-group regards trust as being an essential condition for belonging to the group (Yoon, 2008). They therefore do not trust as readily as individualists. This is confirmed by Cyr (2008), who predicted that e-loyalty would be a consequence of trust in the collectivist Chinese culture, as opposed to the IDV cultures of Canada and Germany, and that trust was more important than e-satisfaction in Chinese collectivism, as opposed to being less important in Canada (Cyr, 2008:65). Therefore, a culture high in COL will trust an online store less readily than an individualist culture. A study by Cialdini *et al.* (2010) on university students in the USA (individualists) and Poland (collectivists) assessed the impact of the respondent's cultural orientations on social influence. Cialdini *et al.* (2010) anticipated social proof principles to be influential across both cultures – but with greater impact on the Polish students. South Africa has a high IDV score of 65 (Hofstede, *et al.*, 2010) which characterises the society as being independent and less likely to listen to the opinions in their social networking community (Ng, 2013). Triandis (1995), however, argued that even individualistic members of a collectivist group have frequently failed to act in accordance with their personal norms and goals (Triandis, 1995, Cialdini *et al.*, 2010). It can therefore be posited that:

*H<sub>4</sub>: Individualism (IDV) negatively and significantly moderates the relationship between trust and purchase intention in social commerce.*

### 5.3.5 Masculinity (MAS)

Hallikainen and Laukkanen (2018) maintain that masculine cultures are action-orientated and so the trustworthiness of an online store is likely to be judged by its capabilities and efficiencies (Schoorman *et al.*, 2007). Similarly, perceived usefulness correlates with the achievement of work goals (Yoon, 2009). Ganguly *et al.* (2010) confirm this position, maintaining that individuals with a high masculinity score preferred emphasis on information design, which facilitated quick decision-making. Performance and conflicts are resolved through direct action (Srite and Karahanna, 2006) and maintaining masculinity has a direct effect on ability and benevolence (Hallikainen and Laukkanen, 2017:103). Benevolence is, however, typically associated with feminine qualities, which demonstrates the outcome to be a result of the different cultures employed in the sample (China and Finland) or an imprecise generalisation that masculine societies do not display signs of compassion.

South Africa scores 63 on this dimension, demonstrating a high masculine score – a very similar score achieved by China (66) and the United States (62) (Hofstede *et al.*, 2010). In summary, individual qualities here are a decisive and assertive personality – and competition and performance are high (Hofstede, 2001). Hallikainen and Laukkanen (2018) refer to the results of a survey conducted by Hofstede (2005), which reinforces distrust in masculine cultures, and indicating that a highly masculine culture believes that most people cannot be trusted. However, contrary to the above results, Hassanein *et al.* (2009) and Srite and Karahanna (2006) argue that country cultural scores can be misleading, as national culture is a generalisation and that individuals can differentiate. Despite the various arguments presented above, if perceived usefulness is argued as being a masculine feature (Yoon, 2009) and social presence and perceived usefulness have been established to have a positive relationship (Lu *et al.*, 2016), and if social presence is a strong predictor of trust in a seller (Lu *et al.*, 2016) with a positive influence on purchase intention, high masculinity should positively affect trust and purchase intention in social commerce. It is therefore posited that:

*H<sub>5</sub>: Masculinity (MAS) positively and significantly moderates the relationship between trust and purchase intention in social commerce.*

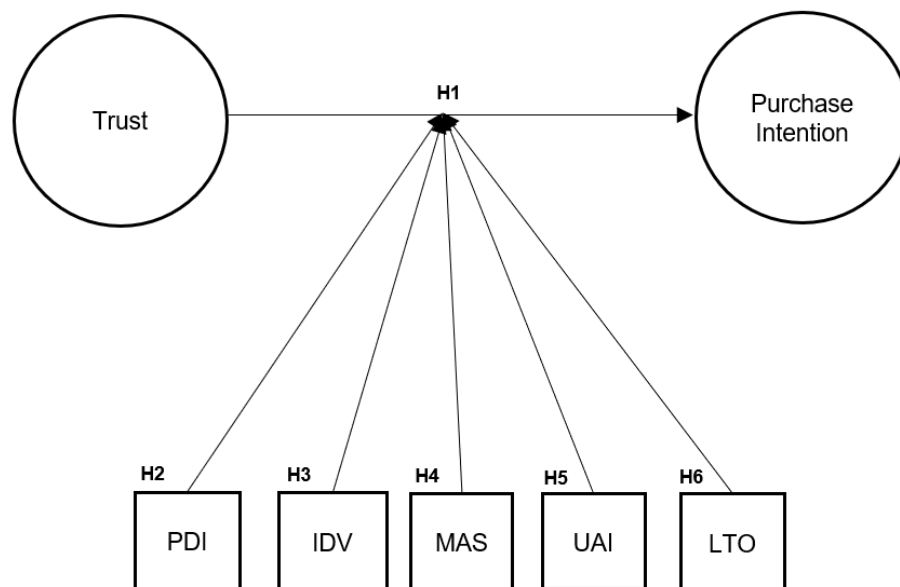
### 5.3.6 Power Distance

In high PDI societies, managers and subordinates see themselves as being unequal and dependent of each other. Individuals will seek to comply to their superiors' opinions – rather than disagreeing with them. However, in low PDI societies these two groups see themselves as equal, and are therefore interdependent (Yoon, 2009).

Furthermore, in low PDI societies, individuals have a higher tendency to change, to engage in innovation, and to use information technologies (Goodrich and de Mooij, 2013) – whereas in high PDI societies individual behaviour will take place within limited boundaries, as it will be controlled by an authoritative figure (Doney *et al.*, 1998). It could therefore be argued that with less practice and familiarisation with technological innovation such as computers, the internet and social commerce, the higher is the risk and threat for these individuals in high PDI societies. Furthermore, higher PDI countries convey less trust to online service providers than countries with a lower PDI (Gefen and Heart, 2006). Power distance could therefore be significant in triggering insecurity and risk in this context. It is therefore posited that:

*H<sub>6</sub>: Power distance (PDI) negatively moderates the relationship between trust and purchase intention in social commerce.*

#### 5.4 THE FINAL MODEL



**Figure 5.3: The research model with the hypotheses**

- H<sub>1</sub> Trust has a positive and significant effect on purchase intention in social commerce.
- H<sub>2</sub> Power Distance negatively and significantly moderates the relationship between trust and purchase intention in social commerce.
- H<sub>3</sub> Individualism negatively and significantly moderates the relationship between trust and purchase intention in social commerce.
- H<sub>4</sub> Masculinity positively and significantly moderates the relationship between trust and purchase intention in social commerce.

- H<sub>5</sub>     Uncertainty avoidance positively and significantly moderates the relationship between trust and purchase intention in social commerce.
- H<sub>6</sub>     Long-term orientation positively and significantly moderates the relationship between trust and purchase intention in social commerce.

The construct definitions proposed in the Hypothesis and the references to the constructs are shown in Table 5.2 (below). To explore the effects of national culture at the individual level on the relationship between consumer trust and purchase intention in social commerce, the research model integrated two theoretical frameworks. The first framework is Hofstede’s national cultural framework that incorporates the national cultural dimensions of PDI, IDV, MAS, UAI and LTO as the moderators in the model. Second, the TRA theory is incorporated into the relationship between trust and purchase intention to examine whether has a positive influence on purchase intention – therefore influencing trust-related behaviours in social commerce.

**Table 5.2: Conceptual Model construct and variable definitions**

Construct	Definition	Used by	Original Source
Behavioural Trust	The sense of protection, care and perception of reliability from the messages, feedback, or recommendations from other friends on a social network site	Kim and Park (2013) Lu et al ( 2016)	Lewis and Weigert, (1985)
Purchase Intention	The strengths of one's intentions to perform a specific behavior	McKnight (2002) Pavlou and Gefen (2004)	Fishbein and Ajzen (1975)
Power Distance (PDI)	The extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally	Hallikainen and Laukkanen ( 2018) Goodrich and de Mooij Hofstede (1984) (2013)	
Uncertainty avoidance (UAI)	The extent to which members of a culture feel threatened by ambiguous situations and how they deal with the unknown	Pavlou and Chai (2002) Srite and Karahanna (2006) Yoon Hofstede (1984) (2009); Goodrich and de Mooij (2013)	
Individualism (IDV) and Collectivism (COL)	Individualism is the degree of interdependence a society maintains among its members  Collectivism refers to individuals are rooted in a strong and unified group whom which they rely on for support throughout their lifetime	Hofstede and Hofstede (2005) Ng(2013)	Hofstede (1984)
Masculinity ( MAS)	A Masculine society is driven by masculine features such as competition and success emphasizing material accomplishments.	Hallikainen and Laukkanen ( 2018) Goodrich and de Mooij Hofstede (1984) (2013)	
Long-term Orientation (LTO)	How every society has to maintain some links with its own past while dealing with challenges of the present and future	Hallikainen and Laukkanen ( 2018) Goodrich and de Mooij Hofstede (1990) (2013)	

*Note:* Authors own summary

## 5.5 CHAPTER CONCLUSION

This chapter outlined the conceptual frameworks of the study. The literature relevant to the research question was reviewed to support the application of the frameworks, the key model components were defined (culture, trust and purchase intention), and the relationships in the model were described.

## 5.6 CHAPTER SUMMARY

The chapter presents the conceptual model of the study through an examination of the theoretical frameworks. Hofstede’s national cultural framework provides the

basis for evaluating the moderation of culture on the relationship between trust and purchase intention. The original four national cultural dimensions were applied and also the extended fifth dimension of Long-Term Orientation. Previous applications of the (TRA) were explored to demonstrate empirical support for this framework in online studies (McKnight, 2002) – demonstrating that trust can be used as an antecedent to trust-related behaviours. The TRA is also evaluated to understand the successful application of the model in the context of social commerce (Yusuf *et al.*, 2017; Sheldon, 2016). The ambiguities and conditions of the framework were highlighted (Sheppard *et al.*, 1988) and result in the examination of an alternative behavioural model and social commerce frameworks.

The conceptual model outlined the hypotheses, which will be tested in the methodology and used to build an academic argument in the analysis and results section of the study. The definitions and sources of these constructs and variables demonstrate previous empirical support and original sources. Each of the hypotheses was evaluated in the context of the literature. In the next chapter the methodological framework is presented. The research paradigm and research methodology which examine the study's quantitative approach, research design and data-collection techniques, are explored. To conclude the chapter, the fieldwork, data analysis and ethical considerations are examined.

## CHAPTER 6

### METHODOLOGY

#### 6.1 INTRODUCTION

This chapter focuses on providing a methodological framework for the study and explains the choice of methodology used for the primary research. This study used a cross-sectional survey design to assess the influence of culture on trust and purchase intention for a sample of social commerce users on a branded Facebook page. The purpose of the design was to measure the precise estimates of the extent of the relationship between the constructs of trust and purchase intention, and to evaluate the scores from the attitudes of the respondents in order to measure the influence of culture on this relationship. This chapter outlines the research design, the research approach, the selected methodology, data-collection techniques, validity and reliability of the primary research, and also the ethical considerations.

#### 6.2 RESEARCH PARADIGM

The research paradigm of a study is the “belief about the way in which data about a phenomenon should be gathered, analyzed and used” (Lehaney and Vinten, 1994). There are two major types of research philosophy – positivism and interpretivism (Bryman and Bell, 2014). Positivism is explained as “an epistemological approach that advocated applying natural science methods to study and understand social reality” (Bryman and Bell, 2014:12). Key principles are the generation of hypotheses, knowledge is concluded through gathering facts, and the study must be conducted objectively (Bryman and Bell, 2014). Interpretivism is a subjective approach, and is explained as “any research approach which needs to respect the differences between people and the objects of the natural sciences” (Bryman and Bell, 2014:14). This study will use the positivist paradigm, because data collection was directed at facts – leading to a conceptual framework made from analytical constructs in order to analyse the data. As a result, quantifiable observations were used to explain the effects of culture on trust and purchase intention, through statistical analysis.

#### 6.3 RESEARCH METHODOLOGY

The previous section explained the research paradigm and research design to be used in this study, and the research methodology is now discussed.

##### 6.3.1 Quantitative approach

The two main research approaches in research are quantitative and qualitative (Bryman and Bell, 2014). This study adopts a positivist paradigm – therefore inducing a quantitative methodology. Quantitative research is defined as “a research methodology that’s seeks to quantify the data and typically applies some form of statistical analysis” (Malhotra, 2010:171). Zhang and Benyoucef (2016) and

Bussalim and Hussin (2016) demonstrate that 70-80% of social commerce studies adopted the quantitative methodology. Quantitative data are analysed through descriptive and inferential statistics. Descriptive statistics involves the results being analysed through tables and charts, while inferential statistics involves applying statistical tests to the sample to make inferences about the population in question, and is associated with the deductive approach (Bryman and Bell, 2013).

#### **6.4 RESEARCH DESIGN**

Research design is defined as “a framework or blueprint for conducting the marketing research project” (Malhotra, 2010:102). Research designs are classified as either exploratory or conclusive. Exploratory research is applied when the researcher needs deeper insights to answer the research problem and the primary data are qualitative in nature – whereas a conclusive research design tests specific hypotheses and examines the relationships (Malhotra, 2010). Two types of conclusive research designs are descriptive research and casual research. Descriptive research is a structured form of research that is identified by a research problem, hypotheses and objectives, with detailed information (Malhotra, 2010). To best answer the research question “Does culture moderate the relationship between trust and purchase intention in social commerce shopping behaviour”, this study followed a conclusive descriptive research design – specifically a single cross-sectional design.

A single cross-sectional design is when one sample of respondents is drawn from the target population at one given time only (Malhotra, 2010:107). Kim and Park (2013) used a descriptive research design method to understand the effects of social commerce characteristics on trust and trust performance in Korea. In addition to this study, Yoon (2009) used a single cross-sectional research design to understand the cultural effects on e-commerce acceptance in China. This study adopts a cross-sectional design as it supports the conclusive descriptive research approach., examines the cultural effects on the relationship between trust and purchase intention in social commerce, and therefore was based on the research design that was implemented by the above-mentioned studies.

#### **6.5. DATA COLLECTION**

The previous section discussed the research design applied in this study. The population, sampling, questionnaire design, questionnaire layout, scales and questionnaire administration are now discussed.

##### **6.5.1 Target population**

The target population are the opinions needed to satisfy the objectives of the research (McDaniels and Gates, 2015). The study aimed to gather data from the target population which comprised of men and women aged 18-65. In order to properly determine the effects of culture on trust in social commerce shopping behaviour, the data used South African social commerce users, and these

individuals were reached through the HI-TEC South Africa Facebook page. Screening questions were implemented to help determine whether the individuals are adequate respondents for the survey. Hallikainen and Laukkanen (2018) used a similar approach, using individuals who had previously purchased books online (Hallikainen and Laukkanen, 2018), so excluding the opinions of non-online book users. This study excluded non-users of social commerce, as although it might have been interesting to understand why they have not used social commerce previously, the research enquiry was to ascertain the cultural effects on trust from individuals with social commerce shopping experience. Kim and Park (2013) included social commerce shoppers from other countries to avoid generalisation concerns – but in their study national culture was not being measured. Ng (2013) investigated the intention to purchase on social commerce across cultures, and therefore included non-social commerce users (Ng, 2013: 613). This study also excluded individuals who were not South African citizens. The researcher takes into account the impact of globalisation and population movements, and by excluding non-South African citizens there is a missed opportunity to compare results – but the research specifically investigated South African culture and therefore non-citizens were excluded.

#### **6.5.1.1 Sample population**

This section describes the current HI-TEC Facebook page population: the type of participants this study can expect to survey. In August 2018, the HI-TEC Facebook page had acquired 51 563 likes, of which 40 348 are South African. Of the 51 563 members who have liked the page, 46% are women and 53% are men. Most members are aged 25-34 years (35%), followed by 35-44 year-olds (25%) and 45-54 year-olds (16%). The top cities where fans reside in South Africa, are Cape Town, Johannesburg, Pretoria, Durban and then Port Elizabeth. English is the dominant language. However, when checking whether Facebook can default to an African language, the only option is Kinyarwanda – which means any African speaking page members will likely default to English. This means that Facebook cannot accurately decipher culture based on language.

#### **6.5.2 Sampling**

Bryman and Bell (2013) define sampling as the segment of the population that is selected for research. Malhotra (2010) identifies two types of sampling methods – probability and non-probability sampling. This study uses a non-probability sampling technique to sample respondents from a branded Facebook page. McDaniels and Gates (2015) define non-probability sampling as those that have been selected in a non-random manner. The non-probability sampling technique used is convenience sampling. McDaniels and Gates (2015) describe convenience sampling as attempting to obtain a sample out of convenience. This technique is an efficient and effective method of obtaining the necessary information, in order to produce reliable results (Malhotra, 2010). On Facebook, participants will self-select themselves –

which further aligns with convenience sampling, as the respondents are arbitrarily or consciously chosen (Malhotra, 2010).

#### **6.5.2.1 Sample size**

The sample size used in the study was 541. The minimum sample size requirement is known as the rule of ten (Chin, 1998) - which states that the sample size must be ten times the largest number of structural paths directed toward a latent construct (Ng, 2013:614). This would be under 100 responses if the study applied this rule. However, the literature suggests a slighter higher sample. Kim and Park (2013:325) received 388 responses, Ng (2013:613) collected 284 responses, Yoon (2009:296) collected 270, and Hallikainen and Laukkanen (2018) collected 616 responses. A larger sample would also address generalisability concerns (Kim and Park, 2013).

#### **6.5.2.2 Questionnaire**

A questionnaire is defined as “a structured technique for data collection that consists of a series of questions written or verbal, that a respondent answers” (Malhotra 2010:335). Data collection through the survey method is referred to as a structured questionnaire, and therefore a questionnaire is a tool to be used for a survey. This study used a self-completion online survey, where respondents could complete the questionnaire on their own through a link on social media (Bryman and Bell, 2013). In this study, the questionnaire link was posted on Facebook, and when clicked it led to Qualtrics – which is research survey software. The advantages of an online questionnaire are low cost as it is quick to administer, it can reach a large audience efficiently, there are no geographical constraints, and the data can be collated quickly (Bryman and Bell, 2013). The disadvantages are that respondents are wary about the confidentiality of their data. The survey is the most popular in empirical research in social commerce (Liang and Turban, 2011; Zhang and Benyoucef, 2016). The popularity of a survey-based quantitative methodology is further confirmed by Busalim and Hussin (2016) in their social commerce literature review.

#### **6.5.2.3 Questionnaire design**

For a survey to be successful and to achieve its primary data-collection goals, Adams *et al.* (2014) recommend that the survey is kept short, that it comprises clear and unambiguous questions, includes visuals or examples, likert scales which all go the same way, and has an easy return mechanism (Adams *et al.*, 2014:120). A clear example of social commerce was given – including visuals to ensure that respondents understood the context of the study, which would then increase the response rate. To give the questionnaire credibility, the University of Cape Town’s logo was included on the front of the questionnaire. Furthermore, the reasons for conducting the study, a commitment to confidentiality in respect of the final results, facilitating respondent honesty when answering each question, and the importance of the study, were all emphasised. Last, the estimated time for completing the questionnaire was included, to demonstrate that the questions would not take up too much of the respondent’s time.

The questionnaire comprised structured questions in the form of dichotomous questions. Dichotomous questions have only two response alternatives, a 'yes' or a 'no'. A neutral response was not included as the study needed the respondent to take a position on the issue at hand (Malhotra, 2010). To exclude respondents who did not form part of the sample requirements, dichotomous questions were used in the screening questions. The questionnaire also used 7-point Likert scales. Both Kim and Park (2013) and Ng (2013) adopted a 7-point Likert scale. It is applied here instead of a 5 point Likert scale to ensure respondents have a greater response range. The Likert scale is a statement that involves the degree of respondent agreement or disagreement (Kotler and Keller, 2009). To measure the constructs in the model, a 7-point Likert scale was used – ranging from 1= 'strongly disagree' to 7 = 'strongly agree' (Kim and Park, 2012; Yoon, 2009; Park *et al.*, 2012). The respondent was asked to what extent they agreed or did not agree with the question. Respondents therefore employ a rating that seems appropriate for them when answering the statement. Nominal scales were used in the last section of the questionnaire to assist with categorizing respondents personal information.

The first scale was a 5-item scale measuring the trust construct, taken from Kim and Park (2013). This evaluated the respondents' trust in the social commerce firm. A high score on this scale would mean the respondents have high trust in the social commerce firm, while a low score would mean the opposite. The second scale was a 5-item scale measuring the purchase intention construct, and was adapted from Kim and Park (2013). This evaluated respondent intention to purchase on the social networking site. A low score would mean the respondent does not have intentions to purchase, while a high score would mean the respondent does or does intend to display intent.

The scales 5-9 were the scales used to measure the cultural constructs. The cultural dimension scales were taken from Yoon (2009), and adapted from Srite and Karahanna (2006) and Shin *et al.* (2007). Scale 5 was a 4-item scale used for the cultural construct Power Distance (PDI), which evaluated respondent belief in manager and subordinate relationships that should determine whether they resonate with a high or low PDI society (Hofstede, 2011). Respondents disagreeing with the scale statements would measure a low PDI society, while those agreeing with the statement would measure belief in a high PDI society. Scale 6 was a 3-item scale measuring the cultural construct individualism (IDV). Here, respondents agreeing with the statements would achieve a high score pertaining to an individualistic culture – as opposed to a low score that pertained to a more collectivist culture.

Scale 7 was a 3-item scale measuring the cultural construct Masculinity (MAS). Here the respondents were evaluated on their beliefs on achievement in the workplace and their views on gender roles. A high score on this scale equated to an individual with a higher belief in masculinity, while a lower score would mean the

opposite. Scale 8 was a 4-item scale and was used to measure the cultural construct Uncertainty Avoidance. The statements reflected the feelings around risk, ambiguity and unstructured situations. Agreeing with the statements would achieve a high score and reflect that the individual had a high uncertainty avoidance. The last scale was a 4-item scale that was used to measure the cultural construct Long-Term Orientation. Individuals disagreeing with the statements would reflect a low score – demonstrating a low LTO culture.

#### **6.5.2.4 Questionnaire layout**

Following the introduction, the questionnaire consisted of three sections and a total of 16 questions (see Appendix A). The first section was the screening questions comprising questions 1, 3 and 4. Question two was a question out of interest – to see which social networking site respondents spent most of their time on. The screening questions focused on whether respondents had a social networking site account, whether they had engaged in social commerce at least once before, and whether they were South African citizens. If the respondents answered no to any of these screening questions, they were excluded from the study through an appreciative message, which explained they need not continue the questionnaire. The survey ended for the respondents who responded ‘no’ to any these questions, which ensured that the respondents met the requirements of the target population.

Section 2 began with clear instructions on what the questions were evaluating and how best to answer the questions. Section 2 started with question 2.1 and ended with question 4.4. All the statements pertaining to this section were presented in a 7-point Likert scale – ranging from 1 which is ‘strongly disagree’ to 7 which is ‘strongly agree’. This format was sourced from key literature (Kim and Park, 2013; Ng, 2013). Questions 2.1-2.5 were statements associated with the trust construct. Questions 3.1-3.4 were statements associated with the purchase intention construct

Section 3 comprised the questions associated with culture constructs and began with an explanation of what each scale statements was attempting to evaluate and how best to answer them. All the statements pertaining to this section were presented in a 7-point Likert scale – ranging from 1 which is ‘strongly disagree’ to 7 which is ‘strongly agree’. This format was sourced from key literature (Kim and Park, 2013; Ng, 2013). Section 3 began with questions 5.1-5.4 relating to the cultural construct Individualism. Questions 6.1-6.3 were statements pertaining to the cultural construct Power Distance. Questions 7.1-7.3 were statements pertaining to Masculinity. Questions 8.1-8.4 pertained to the cultural construct Uncertainty Avoidance, and question 9 pertained to the cultural construct Long-Term Orientation.

Section 4, the last section, comprised questions 10-16, which measured the demographics of each respondent. These questions were closed-ended questions and Adams *et al.* (2014) outline the advantages of closed-ended questions, to be the speed of processing data. The demographics section tends to be more sensitive, as questions are more personal, and therefore closed-ended questions are beneficial

as they help facilitate quick responses. Question 10 requested the gender of the respondent, question 11 asked for the respondent's age, question 12 requested the respondent's race, question 13 asked for the respondent's highest level of education, question 14 asked for the respondent's current employment status, question 15 asked about the province the respondent resided in, and the last question asked for information on the respondent's salary band.

**Table 6.1: Measurement scales**

CONSTRUCT	ITEM #	SCALE ITEMS	FACTOR LOADINGS	SOURCE
TRUST	Trust1	The social commerce firm is trustworthy (1.00)	(1.00)	Kim and Park (2013)
	Trust2	I trust this social commerce firm keeps my best interests in mind (.0951)	(.0951)	
	Trust3	This social commerce firm will keep its promises (.742)	(.742)	
	Trust4	I believe in the information this social commerce site provides (.908)	(.908)	
	Trust5	This social commerce firm wants to be known as a company that keeps its promises and commitments (.890)	(.890)	
PURCHASE INTENTION	PI1	I am likely to purchase products/services on this social commerce site Given the opportunity, I would consider purchasing products on this social commerce site in the near	(.622)	Kim and Park (2013)
	PI2	It is likely I will actually purchase products on this social commerce site in the future	(.543)	
	PI3	Given the opportunity, I intend to purchase products on this social commerce site	(.414)	
	PI4		(.420)	
POWER DISTANCE	PowerDist1	Subordinates are afraid to express disagreement with their superiors.	(-.050)	Yoon (2009)
	PowerDist2	Subordinates should follow their superior's decisions unconditionally.	(.004)	
	PowerDist3	Managers should make most decisions by themselves	(.089)	
	PowerDist4	Subordinates should not question their superior's decisions.	(.072)	
INDIVIDUALISM	Indiv1	Individual rewards are more important than group welfare	(-.089)	Yoon (2009)
	Indiv2	Individual success is more important than group success. Having autonomy and independence is more important than being accepted as a member of a group	(-.221)	
	Indiv3		(-.074)	
MASCULINITY		The fulfillment of tasks is more important than caring for others. A job with high earnings is better than a job with quality of life. A man should be strong and a woman should be tender	Dropped	Yoon (2009)
UNCERTAINTY AVOIDANCE	UncertainAv1	When starting a new job, I fear doing it.	(-.220)	Yoon (2009)
	UncertainAv2	I fear uncertainty about the future.	(.094)	
	UncertainAv3	I fear ambiguous situations and unfamiliar adventures.	(-.043)	
	UncertainAv4	It is risky to do something that has never been done	(.356)	
LONG TERM ORIENTATION		Would you describe yourself as a cautious individual? Do you have the will to see things through until the end in spite of fear, discouragement, or opposition? I respect tradition and the fulfillment of social obligations I prefer to avoid embarrassment to protect my reputation and dignity	Dropped	Yoon (2009)

### 6.5.2.5 Pre-testing the questionnaire

The pre-test phase of the survey is to identify inconsistencies that can compromise the results (Malhotra, 2010). An advantage of a pilot study is the tabulation of results, which gives the researcher insight into the information that will be gained to answer the research question – and which might cause the researcher to redesign the study (Adams *et al.*, 2014). The initial questionnaire was pre-tested with a convenience sample of 21 respondents. These respondents had similar characteristics to the final sample and were taken from employees of Hi-Tec South Africa. During this pre-test, all aspects of the questionnaire were tested – which included the instructions, duration of completion, wording sequence, and layout. After the pilot study was completed, four LTO scale statements were reworded to

ensure it made sense to the respondent and they could answer as accurately as possible, and a better visual of social commerce was added to ensure that respondents clearly understood the context of the study. Please view Appendix A to see how LTO was re-worded in the study.

#### **6.5.2.6 Questionnaire administration**

The sections to follow discuss the questionnaire that was administered onto the HI-TEC South African Facebook page to gather the quantitative data used in this study. A disadvantage of a questionnaire is that nobody is present to explain and clarify responses, should there be questions from respondents (McDaniels and Gates, 2015). An advantage of using questionnaires are their flexibility (Kotler and Keller, 2009). This study used an online self-administered questionnaire where respondents completed the questionnaire themselves (Bryman and Bell, 2013). Previous studies also used an online self-administered questionnaire (Ng, 2013; Shanmugam *et al.*, 2016). The advantage of using a branded Facebook page is the ability for this study to reach a cross-section of the population quickly. Furthermore, the use of a branded Facebook page lends credibility to the survey as respondents are familiar with the brand.

The disadvantage of a branded Facebook page is that the page audience could be homogenous. All these limitations are accounted for in the limitation section of this study. Facebook was used because it is most popular social networking site – leading the social networking front with 2.167 billion monthly active users, followed by YouTube with 1.5 billion users and WhatsApp with 1.3 billion active users (Kemp, 2018). The global popularity of Facebook makes it an appropriate platform for this study and Facebook also provides the greatest number of content-generating tools compared to *inter alia* Twitter, Instagram and LinkedIn. In the literature section, important studies also used Facebook as their choice of platform (Kim and Park, 2013; Hajli *et al.*, 2017; Ng, 2013).

### **6.6 FIELDWORK**

The data-collection process is also called the fieldwork. Fieldwork is defined as the “selection, training and supervision of people who collect the study data” (Malhotra, 2010:434). The survey method in the form of a questionnaire was employed to collect primary data from the HI-TEC South Africa branded Facebook page. HI-TEC South Africa is a global company that manufactures, distributes and retails outdoor apparel, accessories and footwear. HI-TEC South Africa has 50 000 fans (Facebook members), and actively promotes its branded products on Facebook – which when clicked link to the HI-TEC e-commerce website.

Following the pre-testing phase to refine the questionnaire, data-collection took place. The procedure was conducted by the researcher and one HI-TEC assistant to help with the comments and questions on the Facebook page – to ensure they were answered correctly and timeously. The questionnaire was posted as a link onto the HI-TEC Facebook page on Tuesday 19 June 2018 until Friday 22 June 2018 –

totaling 4 days. The post was pinned to the top of the page to remain as a featured post. So giving extra visibility to individuals who visited the page. Due to the decline in organic reach, boosting a Facebook page to the page audience is imperative to expand the reach on the audience (“Facebook business Insights”, 2018) – and so the post was boosted. To eliminate bias, all respondents that did not qualify for the questionnaire, as well as individuals submitting partially completed questionnaires, were also entitled to the 20% offer on HI-TEC products.

## **6.7 DATA ANALYSIS**

Data analysis describes the statistical tests used to address the research questions and hypotheses. This is important as limitations can be placed on the techniques this study can employ – due to the nature of the data, sampling and the sample size (Bryman and Bell, 2013). This section reviews the sorting, coding, and verification of the data (Malhotra, 2010). The data preparation process and then the data analysis are also examined.

### **6.7.1 Data preparation process**

The data preparation process is the introduction to data analysis that is formulated in the research design phase. The initial step is to check the questionnaire for completed and acceptable survey quality. The questionnaire needs to be checked, in case fields are missing, checked for pattern of responses or to determine whether it was received after the cut-off date (Malhotra, 2010). The completed and acceptable questionnaires were classified and counted. Next, the questionnaires were edited, by sorting the valid from non-valid responses. The objective here is to increase the accuracy. The responses to the survey were exported from Qualtrics (University of Cape Town’s survey management system), and then cleaned and coded into Excel and the Statistical Package for Social Sciences (SPSS). SPSS was selected as it is the most widely used statistical package for application academically, and also within the business environment. According to Malhotra (2010), data cleaning includes consistency checks and treating missing sources (Malhotra, 2010). No items were reverse ordered.

### **6.7.2 Descriptive statistics**

Once a sufficient number of questionnaires was completed, the data that contained descriptive tests first gave an overview of the standard and mean deviations of the variables and constructs – which show the average response from the respondents per question. Measures of central tendency summarise the distribution of values. This study used the mean, which is employed for interval variables and ordinal variables (Bryman and Bell, 2013). The standard deviation is the square root of the variance. In this study, summated scales were computed to calculate these measures on each of the constructs. According to Bryman and Bell (2013), questions in a pre-coded questionnaire elicit different variables. This study generated dichotomous variables and interval variables. Tests of statistical analysis were then performed.

### **6.7.2.1 Scale reliability and validity**

First the measurement model must be evaluated through item reliability, convergent validity, and discriminant validity (Chin, 1999). Convergent and discriminant validity test the construct's validity in the model. For convergent reliability to occur, the coefficient AVE needs to be greater than 0.5 (Malhotra, 2010). To establish discriminant validity, the Fornell-Larcker criterion must be checked also the model cross-loadings (Hair *et al.*, 2011).

### **6.7.3 Inferential statistics**

Statistical techniques are univariate or multivariate. This study used a univariate technique, using non-metric data in one sample. The Kolmogorov-Smirnov is first used to test the data for assumption of normality. It is defined as "a one-sample non-parametric test that compares the cumulative distribution function for a variable with a specified distribution" (Malhotra, 2010:510). The first Hypothesis investigated the trust variance between trust and purchase intention, and the Spearman's Rank coefficient was applied. This test can be used if the non-metric variables are ordinals and numeric (Malhotra, 2010). Thereafter, a moderator regression test using an interaction effect with a linear regression was tested on the other hypotheses through a Bivariate Correlation analysis.

## **6.8 ETHICAL CONSIDERATIONS**

Undertaking ethical research is a fundamental principle of the scientific enquiry and ethical issues arise at every stage of the marketing research process. Ethical considerations considered in this study began with stating and confirming the ethical approval from the UCT Ethics committee on the front page of the survey. Consent was obtained from respondents and confidentiality of the data and results obtained was assured. To add to this credibility, the University of Cape Town's logo was added to the front cover of the survey. To ensure there was no bias in the data-collection process due to the 20% reward voucher offered in exchange for respondents' time, the reward was given regardless of whether the respondent completed the survey or not. To promote the transparency of this commitment, the latter was also highlighted on the front page of the survey. Using appropriate sampling procedures and an appropriate sample size also need to be considered. Furthermore, in the fieldwork stage of the research process, all questions or concerns must be addressed timeously and professionally. In the data preparation and analysis stage, identifying unsatisfactory respondents, using incorrect statistical techniques, as well as interpreting and making incorrect conclusions, all contribute to unethical procedures.

## **6.9 CONCLUSION**

This chapter reviewed the methodological steps taken in this study, focusing on the research methods and the methodology used in the research. This comprises the

theoretical analysis of the methods to be applied to ensure that the study is conducted accurately.

## **6.10 CHAPTER SUMMARY**

The research paradigm set the context for the research approach, which is quantitative in nature. A quantitative approach aims to answer the research question through quantifying the data, gathering facts, and generating hypotheses through the application of descriptive and inferential statistics. The research design was single cross-sectional in nature, which means that the sample is drawn once from the target population of social commerce users – at one given time only. This sample was drawn in a non-random manner (McDaniels and Gates, 2016). The aim of the sample size was to reach a minimum of 450 responses, after consulting previous studies that demonstrated a sample size of 270-600 (Kim and Park, 2013; Yoon, 2009; Hallikainen and Laukkanen, 2018).

The target population was drawn from a branded Facebook page using a self-administered online survey in the form of a questionnaire. The online questionnaire is established in previous social commerce studies as being the most popular (Busalim and Hussin, 2016; Zhang and Benyoucef, 2016). Attention was paid to the structure, design and layout of the questionnaire – to ensure that the respondents answered the questions successfully. Structured questions in the form of dichotomous, nominal and the 7-point Likert scale were used. The online survey was re-tested to identify any ambiguities or inconsistencies that could compromise the results. In the data-analysis section of the methodology, the steps taken to answer the research question were outlined. The data-preparation process examined the steps taken to prepare the data ethically, to ensure consistency of the data and to look for missing sources (Malhotra, 2010). An overview of the standard and mean deviations showed the average response rate per scale, for which descriptive statistics will be used to find this average and allow closer examination of the data. The sampling distribution enabled probabilistic inferences of the sample to be made. Inferential statistics in the form of a univariate technique were used to examine the hypotheses.

The results chapter which follows, is divided into two parts – descriptive statistics and inferential statistics. The descriptive section involves analysing the mean and standard deviation of the data, where the summated scales of the constructs and dimensions are examined. Before the inferential statistics section begins, the construct validity and discrimination will be assessed. The inferential statistics begins with assessing the normality of the data – after which the hypotheses are examined using ANOVA and regression analysis models.

## **CHAPTER 7**

### **RESULTS**

#### **7.1 INTRODUCTION**

The study intended to investigate the moderating effects of culture on the relationship between trust and purchase intention in social commerce shopping. This was achieved through examining the responses from social commerce users in South Africa. This chapter presents the results of the data analysis for each of the hypotheses. It begins with an overview of the sample demographics. Thereafter, descriptive statistics present the mean average of the responses for each scale, looking for any significant deviations. The measurement model is then evaluated through item reliability, convergent validity, and discriminant validity testing the internal consistency of the model (Chin, 1999). Inferential statistics then examine the assumption of normality using the Kolmogorov-Smirnov test. If abnormal data is found the histograms are examined. The Spearman's Rank coefficient was used to test the relationship between trust and purchase intention, while the moderation was tested using an interaction effect with a linear regression model.

#### **7.2 DESCRIPTIVE STATISTICS**

##### **7.2.1 Respondents**

The survey was well received and was shared 25 times, achieving 433 likes and 62 comments. Of these respondents, 52.31% were female and 46.40% were male – ranging from 18-58+ years of age. The top three provinces where the respondents reside are the Western Cape (50.09%), Gauteng (28.47%) and KwaZulu-Natal (8.87%). The dominant race of the respondents was white (67.84%), followed by coloured (13.12%), Indian (5.91%) and African (5.6%) – with 7.4% of respondents preferring not to answer. Most respondents had obtained a national diploma (27.73%) and matric (24.58%), and this was followed by respondents holding degrees (21.26%). The next section discusses the mean values obtained for the summated scales, including their standard deviations.

##### **7.2.1.1 Realisation Rate**

After closing the survey, 834 responses were collected, of which 541 were valid. The remaining 293 responses were not valid as these respondents did not pass the screening questions. They either did not own a social networking account, had not participated in a social networking advert before, or they were not a South African citizen.

### 7.2.2 Mean and standard deviation of the data

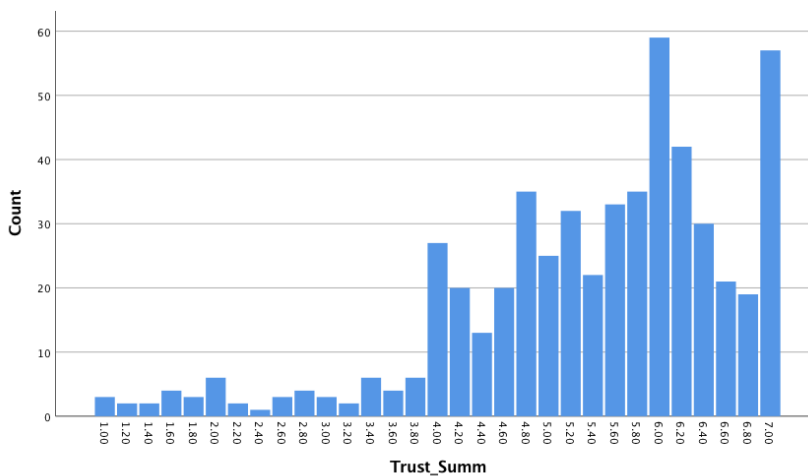
In order to determine the mean and standard deviations of the constructs, summated scales were computed and the results for these scales are shown in Table 7.1

**Table 7.1: Descriptive statistics of the data**

Construct	N	Mean	Std. Deviation
Trust	541	5.3811	1.27245
Purchase Intention	541	5.1414	1.49183
Power Distance	541	3.3822	1.02180
Individualism	541	3.4504	1.23005
Uncertainty Avoidance	541	3.7209	1.31523
Valid N (listwise)	541		

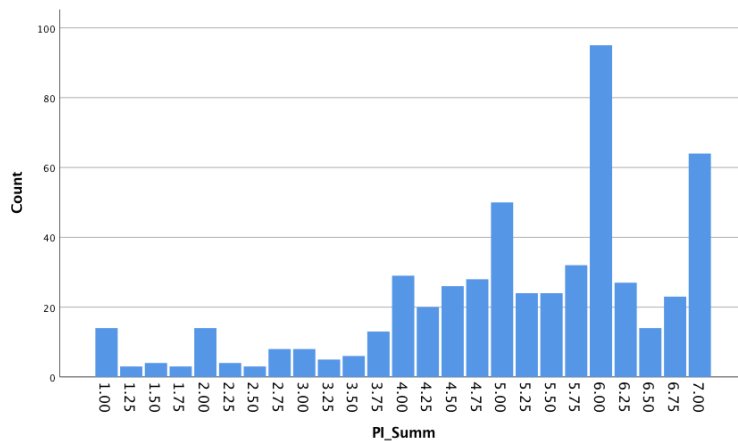
All the scales followed a 7-point Likert scale with means for the scales ranging between 3 and 5. On these scales, 3 indicates ‘somewhat disagree,’ 4 indicates ‘neutral’, and 5 indicates ‘somewhat agree’. A high standard deviation will indicate the responses differ considerably from the mean value, while a low standard deviation indicates the responses do not differ significantly from the mean value.

In Figure 7.1 (below) the summated trust scale obtained a mean value of 5.38, indicating that on average respondents were agreeing with the statements reflecting high trust in the social commerce firm. Within one standard deviation of the mean, approximately 68% of respondent answers ranged from neutral to mostly agreeing.



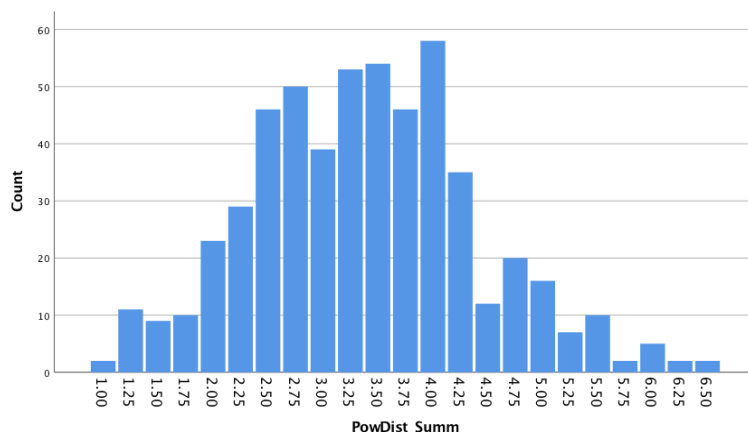
**Figure 7.1: The summated scale measuring trust**

In Figure 7.2 (below) the summated scale measuring Purchase Intention in social commerce obtained a mean value of 5.14, indicating that the average respondents somewhat agreed with statements reflecting an intention to purchase items in a social commerce environment. Within one standard deviation of the mean, approximately 68% of respondent's answers ranged from somewhat disagreeing with an intention to purchase to mostly agreeing. An approximation follows convention of theory when there is a normal distribution of the data, and one standard deviation of the mean accounts for approximately 68% of the data.



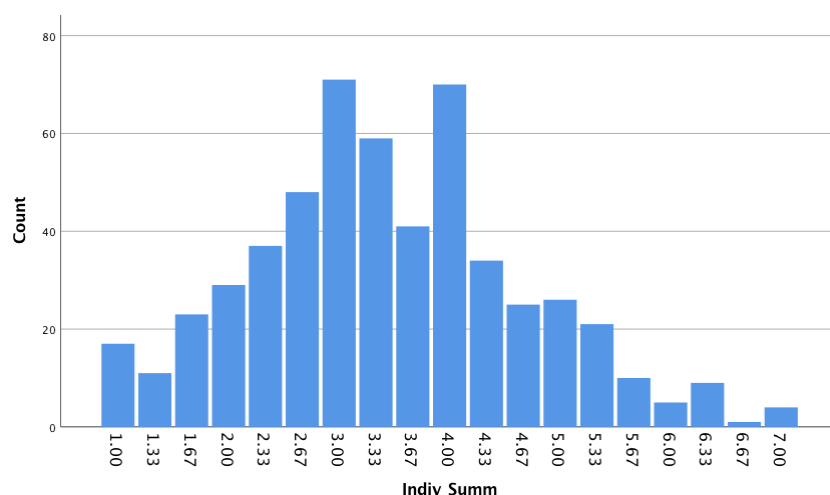
**Figure 7.2: The summated scale measuring Purchase Intention**

In Table 7.3 (below) the summated scale measuring the cultural dimension of Power Distance obtained a mean value of 3.38, indicating that, on average, respondents somewhat disagreed with statements reflecting subordinate beliefs and behaviour toward their superiors. Within one standard deviation of the mean, approximately 68% of respondent answers mostly disagree with the neutral point, that subordinates are strictly governed by their superiors.



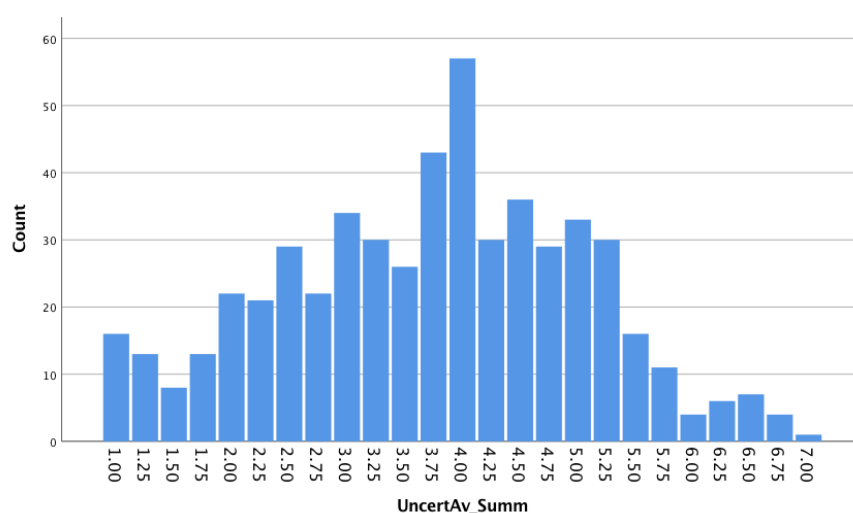
**Figure 7.3: The summated scale measuring Power Distance**

In Figure 7.4 (below) the summated scale measuring the cultural dimension of Individualism obtained a mean value of 3.45 – indicating that on average respondents somewhat disagreed with statements reflecting individualism. Within one standard deviation of the mean, approximately 68% of respondent answers ranged from mostly disagreeing through to the neutral point.



**Figure 7.4: The summated scale measuring Individualism**

In Figure 7.5 (below) the summated scale of the cultural dimension of Uncertainty Avoidance obtained a mean value of 3.7, indicating that, on average, respondents somewhat disagreed with statements reflecting uncertainty avoidance. Within one standard deviation of the mean, approximately 68% of respondent answers ranged from mostly disagree to somewhat agree regarding uncertainty avoidance.



**Figure 7.5: The summated scale measuring Uncertainty Avoidance**

### 7.3 SCALE RELIABILITY AND VALIDITY

These are defined as “the extent to which a scale produces consistent results if repeated measurements are made on the characteristic” (Malhotra, 2010:318). In this study, the internal consistency reliability of the model was tested. Internal consistency was used to assess the reliability of a summated scale. A measure is deemed valid if it measures what it is supposed to measure, and does so without including other factors (Malhotra, 2010). In this study, the consistency reliability was tested using Cronbach Alpha and Composite reliability for validity.

#### 7.3.1 Scale Reliability

Cronbach alpha (CA) is defined as “A measure of internal consistency reliability that is the average of all possible split-half coefficients resulting from different splittings of the scale items” (Malhotra, 2010: 319). CA is computed by correlating the score for each scale item with the total score for each observation. To assess the measurement items reliability, a composite construct reliability (CR) coefficient was computed. In order to comply with ethical standards, the scale reliability needs to be checked such that each construct is able to accurately measurable by the scale items (Maholtra, 2010). For both CA and composite reliability tests, each construct should exceed a minimum cut-off point of 0.7 and 0.8 respectively in order to be retained in the study (Malhotra, 2010). In Table 7.2 (below) it is seen that all constructs have a CA score greater than 0.7 and thus demonstrates reasonable internal consistency in the study. However, the same is not true for CR. All constructs meet minimum cut-off point with the exception of masculinity, with a CR score of 0.55. Thus, masculinity can be removed from this study as its measurement items are not deemed reliable.

**Table 7.2: Showing the Cronbach Alpha values for each construct**

Construct	Chronbach Alpha (CA)	Composite Reliability (CR)
Trust	0.96	0.96
Purchase Intention	0.96	0.91
Power Distance	0.82	0.85
Individualism	0.90	0.86
Masculinity	0.90	0.55
Uncertainty Avoidance	0.74	0.82
Long-Term Orientation	0.74	0.80

#### 7.3.2 Construct validity

To test the construct validity – both convergent and discriminant validity must be evaluated. Construct validity is the most sophisticated way in which validity can be established and it attempts to answer theoretical questions about why the scale works and which deductions can be made with respect to the underlying theory (Maholtra, 2010).

### 7.3.2.1 Convergent Validity

Convergent validity is defined as “A measure of construct validity that measures the extent to which the scale correlates positively with other measures of the same construct” (Malhotra, 2010:321). This means the test must establish that measures that should be related, are in fact related. For convergent validity to occur, the coefficient AVE needs to be extracted and greater than 0.5 (Hair *et al.*, 2011). An AVE value of 0.50 indicates the value for each factor capture is more than half of indicators variances.

### 7.3.2.2 Discriminant validity

Discriminant validity is defined as “A type of construct validity that assesses the extent to which a measure does not correlate with other constructs from which it is supposed to differ” (Malhotra, 2010:321). This means that to establish discriminant validity the test must show that the measures that should not be related, are not related. Discriminant validity first requires checking the Fornall-Larcker criterion and second the model cross-loadings – both of which should be highest for each construct’s association with itself. The Fornall-Larcker criterion states that the square root of the AVE for a construct should be greater than the construct’s correlations with other constructs (Hair *et al.*, 2011). Looking at Table 7.3 (below) the square root AVE was found to be greater than any other loadings with other constructs, with the exception of MAS that has a higher correlation with PDI, and therefore it does not meet the criterion.

**Table 7.3: Showing the square root of the average variance extracted before Masculinity and Long-Term Orientation are removed**

Construct	AVE	Square root of AVE
Trust	0.81	0.90
Purchase intention	0.73	0.85
Power distance	0.60	0.78
Individualism	0.68	0.83
Uncertainty avoidance	0.55	0.74
Masculinity	0.37	0.61
Long-term orientation	0.43	0.66

In Table 7.4 (below) all constructs achieved the minimum average of 0.5 – with the exception of Masculinity and Long-term orientation that do not display AVE greater than 0.5.

**Table 7.4: The construct’s convergent validity where the average must be greater than 0.5**

Construct	AVE
Trust	0,809
Purchase intent	0,728
Power Distance	0,601
Individualism	0,68
Uncertainty Avoidance	0,551
Long Term orientation	0,431
Masculinity	0,373

Table 7.5 and Table 7.6 (below) show the process of removing LTO and MAS scales.

**Table 7.5: Showing the Cronbach Alpha of Masculinity**

Total Item Statistics	Scale mean if item deleted	Scale variance if item deleted	Corrected Item-Total Correlation	Cronbach's Alpha if item deleted
Masculinity question 1	4.30	4.853	.812	.553
Masculinity question 2	4.05	5.418	.704	.680
Masculinity question 3	4.85	7.187	.457	.899

Looking at Table 7.6 all constructs achieved the minimum average of 0.5 – with the exception of Masculinity and Long-Term Orientation that do not display AVE greater than 0.5.

**Table 7.6: Showing the Cronbach Alpha of Long-Term Orientation**

Total Item Statistics	Scale mean if item deleted	Scale variance if item deleted	Corrected Item-Total Correlation	Cronbach's Alpha if item deleted
Long-Term orientation question 1	15.40	9.516	.544	.648
Long-Term orientation question 2	13.60	13.516	.355	.739
Long-Term orientation question 3	14.15	10.555	.708	.539
Long-Term orientation question 4	15.50	12.895	.477	.678

**7.3.3.3 Correlation Matrix**

The Correlation Matrix in Table 7.7 (below) showed that the five factors loaded (Trust, Purchase Intention, Power Distance, Individualism and Uncertainty Avoidance) explained 69.77% of the variance in the data. According with Kaiser’s criterion, all factors loaded have Eigenvalues greater than 1. (Eigenvalues indicate the quantity of the variance explained by the factor). Factors with a relatively large Eigenvalue are retained, while those with a small Eigenvalue are ignored (Field, 2000). Trust items 1-5 loaded onto factor 1. Factor 1 had an Eigenvalue of 6.57 and explained 32.85% of the variance in the data. Uncertainty Avoidance items 1-4 loaded onto factor 2. Factor 2 had an Eigenvalue of 2.92 and explained 14.59% of the variance in the data. Purchase intent items 1-4 loaded onto factor 3, which had an Eigenvalue of 2.03 and explained 10.15% of the variance in the data. Power Distance items 1-3 loaded onto factor 4, which had an Eigenvalue of 1.33 and explained 6.63% of the variance in the data. Individualism items 1-3 loaded onto factor 5 and had an Eigenvalue of 1.11, which explained 5.56% of the variance in the data.

**Table 7.7: The Correlation matrix**

	Trust1	Trust2	Trust3	Trust4	Trust5	PI1	PI2	PI3	PI4	PowerDist1	PowerDist2	PowerDist3	PowerDist4	Indiv1	Indiv2	Indiv3	UncertainAv1	UncertainAv2	UncertainAv3	UncertainAv4
Trust1	1.000	.951	.742	.908	.890	.622	.543	.414	.420	-.050	.004	.089	.072	-.089	-.221	-.074	-.220	.094	-.043	.356
Trust2	.951	1.000	.723	.917	.818	.696	.633	.466	.501	-.072	.099	.141	.154	-.148	-.195	-.150	-.215	.061	-.131	.451
Trust3	.742	.723	1.000	.883	.691	.323	.357	.220	.164	.297	.261	.127	.101	-.186	-.116	.309	-.523	-.135	-.157	.117
Trust4	.908	.917	.883	1.000	.842	.650	.631	.484	.470	.129	.219	.106	.166	.004	-.046	.045	-.375	-.031	-.115	.304
Trust5	.890	.818	.691	.842	1.000	.560	.604	.504	.469	-.071	.054	.107	.158	.036	-.073	-.022	-.213	.211	-.116	.173
PI1	.622	.696	.323	.650	.560	1.000	.838	.775	.864	-.113	.128	-.029	.207	-.259	-.232	-.374	-.213	.144	-.112	.424
PI2	.543	.633	.357	.631	.604	.838	1.000	.866	.880	.004	.303	.141	.390	-.319	-.119	-.318	-.199	.272	.068	.278
PI3	.414	.466	.220	.484	.504	.775	.866	1.000	.945	.099	.343	.206	.378	-.194	-.067	-.227	-.222	.307	.179	.123
PI4	.420	.501	.164	.470	.469	.864	.880	.945	1.000	.013	.292	.155	.383	-.224	-.046	-.292	-.167	.320	.111	.296
PowerDist1	-.050	-.072	.297	.129	-.071	-.113	.004	.099	.013	1.000	.428	.344	.169	.267	.349	.328	.004	.176	.339	-.022
PowerDist2	.004	.099	.261	.219	.054	.128	.303	.343	.292	.428	1.000	.790	.765	.189	.359	.107	-.143	-.118	.188	.208
PowerDist3	.089	.141	.127	.106	.107	-.029	.141	.206	.155	.344	.790	1.000	.770	.243	.321	.109	.004	-.043	.195	.175
PowerDist4	.072	.154	.101	.166	.158	.207	.390	.378	.383	.169	.765	.770	1.000	.288	.456	.096	-.148	-.041	.140	.076
Indiv1	-.089	-.148	.186	.004	.036	-.259	-.319	-.194	-.224	.267	.189	.243	.288	1.000	.808	.710	-.064	-.135	.085	-.203
Indiv2	-.221	-.195	.116	-.046	-.073	-.232	-.119	-.067	-.046	.349	.359	.321	.456	.808	1.000	.718	-.172	-.159	.063	-.227
Indiv3	-.074	-.150	.309	.045	-.022	-.374	-.318	-.227	-.292	.328	.107	.109	.096	.710	.718	1.000	-.422	-.177	-.206	-.544
UncertainAv1	-.220	-.215	-.523	-.375	-.213	-.213	-.199	-.222	-.187	.004	-.143	.004	-.148	-.064	-.172	-.422	1.000	.489	.633	.441
UncertainAv2	.094	.061	-.135	-.031	.211	.144	.272	.307	.320	.176	-.118	-.043	-.041	-.135	-.159	-.177	.489	1.000	.615	.206
UncertainAv3	-.043	-.131	-.157	-.115	.116	-.112	.068	.179	.111	.339	.188	.195	.140	.085	.063	-.206	.633	.615	1.000	.229
UncertainAv4	.356	.451	.117	.304	-.173	.424	.278	.123	.296	-.022	.208	.175	.076	-.203	-.227	-.544	.441	.206	.229	1.000

**7.3.3.4 Summary of the reliability and validity of the constructs in the study**

In summary all constructs were demonstrated to be internally consistent and thus reliable, however, Masculinity and Long-Term Orientation did not achieve convergent validity and were therefore removed.

## 7.4 INFERENCE STATISTICS

This study aimed to establish whether culture moderates the relationship between trust and purchase intention in social commerce shopping behaviour. First, the assumption of normality was examined to test the data; skewness and kurtosis were also applied to test normality and after the histograms were consulted. Spearman's Rank coefficient was used to test the relationship between trust and purchase intention, and thereafter the moderator regression test was used to test the moderating effect of the cultural dimensions on the relationship between trust and purchase intention.

### 7.4.1 Assumption of normality test for trust and purchase Intention

#### 7.4.1.1 Kolmogorov-Smirnov

This is a non-parametric goodness of fit test used to "compare the cumulative distribution function for a variable with a specified distribution" (Malhotra, 2010:510). It is a non-parametric test as the data is ordinal. Therefore, it relies on ranking/scaling and not on numbers – which is consistent with the nature of the questionnaire. Before any relevant tests were run, the assumption of normality had to first be tested. The Kolmogorov-Smirnov (KS) is also used to test for normality – to see if data are normally distributed. The KS test is applied if the sample size is greater than 50 (Malhotra, 2010). Normality was only tested on trust and purchase intention as that is what the hypotheses required. H1 and H2 required a bivariate correlation in order to test it. This test requires the checking of normality prior to conducting the bivariate. The other hypotheses were moderators – which in essence is a modification of regression and normality was not needed to be reported on.

The hypotheses for the test are the Null Hypothesis ( $H_0$ ) and the Alternate Hypothesis ( $H_1$ ). The null hypotheses for the constructs is that they are normally distributed. The tests showed that the scales were not normally distributed. The results are discussed below:

**Table 7.8 The Kolmogorov-Smirnov testing normality of the data**

	Statistic	Df	Sig
Trust	.115	541	.000
Purchase Intention	.130	541	.000

From table 7.8 above, it can be seen that we can reject the null Hypothesis at the 5% level of significance – with p-values of 0.00 and 0.00 respectively for trust and

Purchase Intention. It is therefore concluded that the data for both trust and Purchase Intent are not normal.

#### 7.4.1.2 Skewness and Kurtosis test

To furthermore test for normality, the skewness and kurtosis of trust and Purchase Intention were analysed. Skewness assesses the distribution's symmetry, while kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution. Skewness and Kurtosis interval to (-2;2), as per George & Mallery (2010).

**Table 7.9: Examining the Skewness and Kurtosis Test results**

Construct	Skewness	Kurtosis
Trust	-1.098	1.272
Purchase Intention	-0.991	0.541

In table 7.9 (above), trust's skewness does fall in the intended bracket. Therefore, the descriptive tests above show normality in the data. The histograms therefore do not need to be consulted and neither a QQ plot as these are further tests to establish whether data has a normal distribution.

### 7.5 PEARSON'S CORRELATION COEFFICIENT

To evaluate Hypothesis 1, a bivariate correlations test was used as it is a relational hypothesis (testing if trust has a positive and significant relationship with purchase intent). It is furthermore qualified as a relational hypothesis as there are two constructs present (Malhotra, 2010). In order to perform the bivariate correlation, a Pearson or Spearman's Rho test can be used depending if the data is normally or non-normally distributed, respectively. The data is normally distributed (George and Mallery, 2010), and therefore a Pearson test is conducted. A correlation coefficient ranges from -1 to 1. If it is between (-1;0), a negative relationship exists. If it is between (0;1), a positive relationship exists and if the coefficient is zero, no directional relationship is observed.

*H<sub>1</sub>: Trust has a positive effect on purchase intention in social commerce shopping behaviour*

It is seen in Table 7.10 (below) that the null hypothesis stating that trust has no effect on purchase intent can be rejected at the 5% level of significance with p-value 0.00. Thus, it can be concluded that there is a relationship between trust and purchase intent. The Pearson Correlation coefficient shows the correlation between dependent, purchase intent, and the independent variable, trust. Thus, given that the

Pearson Correlation coefficient is 0.717, it can be concluded that trust has a significant positive effect on purchase intent.

**Table 7.10: Examining the Skewness and Kurtosis Test results**

Pearson Correlation	
Correlation coefficient	0.717
Significance level	0.00

### 7.5.2 LINEAR REGRESSION FOR TRUST AND PURCHASE INTENT

Simple linear regression is a statistical method that studies relationships between two continuous (quantitative) variables and is applied in this study to understand the strength or degree of significance of the relationship between trust and purchase intention.

#### 7.5.2.1 Simple Linear Regression Assumptions

Assumptions are met when data is normally distributed, Homoskedasticity: Homogeneity of variance and when there is a linear relationship with independent observations. In Appendix B it is seen that all simple regression assumptions are met and the data is fit to be interpreted as a regression equation.

**Table 7.11: Showing the significance of the model**

ANOVA <sup>a</sup>	Sum of Squares	df	Mean Square	F	Sig.
Model					
1 Regression	618.114	1	618.114	570.785	.000
Residual	583.693	539	1.083		
Total	1201.808	540			

$H_0: b_1 = 0$

$H_1: b_1 \text{ is not } = 0$

Table 7.11 (above) shows that the model is significant, as the significance level is less than 5%. Thus, the null Hypothesis can be rejected at the 5% level and it can be concluded that at least one b differs. The model is therefore significant.

**Table 7.12: Showing the model summary of the trust variation in purchase intention**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717 <sup>a</sup>	.514	.513	1.04063

Table 7.12 (above) shows the model summary. The R-square is a goodness-of-fit measure. The strength of the model, as shown by R-squared, is 0.514. An R-square value greater than 0.6 is considered strong, if between 0.4 and 0.6, it is considered moderate and lower than 0.4 it is a weak model. This is a moderate model strength. The adjusted R-squared is 0.513. Thus, 51.3% of the variation in purchase intent can be explained by trust. The adjusted R-squared is a modification of the R-square that has been adjusted for the number of predictors in the model. Therefore, adding more variables to the model will not increase the prediction power of the model by much and the adjusted R-square controls for this to happen, giving a more realistic percentage of variation explained by independent variables.

**Table 7.13: Showing the relationship between trust and purchase intention**

Coefficients <sup>a</sup>			
Model		Standardized Coefficient Beta	Sig.
1	(Constant)		2
	Trust_Summ	.717	.000

In Table 7.13 (above), the independent variable in the model are significant at the 5% level of significance, as they are below 5%. Thus, they contribute to the model. It is seen that if trust is increased by 1 unit, purchase intent will increase by 0.717 units. The regression equation is as follows:

$$\text{Purchase intent} = 0x\text{constant} + 0.717\text{Trust} + \text{error}.$$

The remaining hypotheses all relate to the moderation effect of culture on the relationship between trust and purchase intention. In order to test these effects, a moderator regression test was run. The results of the regression are discussed in the section below.

## 7.6 THE MODERATING EFFECT OF CULTURE

A moderator is a variable that affects the strength and/or direction of the independent variable and dependent variable (Malhotra, 2010). Testing the cultural dimension constructs will be conducted through testing the moderation of each dimension on the relationship between trust and purchase intention through the Statistical Package for the Social Science (SPSS) – via the interaction effect method and linear regression method. An interaction term was created with Trust and each cultural dimension.

Before reporting on the moderation effects, an Analysis of variance (ANOVA) and the model fit is checked and will be discussed briefly prior to the results of the moderating relationship. Below, the hypothesis for the ANOVA test can be seen. An ANOVA test that renders significant, will result in a rejection of the null hypothesis and this it can be concluded that the predictors are considered valued predictors in the model.

$$H_0: \mu_1 = \mu_2$$

$$H_1: \mu_1 \neq \mu_2$$

Furthermore, goodness of fit will be assessed by using the R-square. An R-square less than 0.40 is a weak model, between 0.4-0.6 is a moderate model and greater than 0.6 is a strong model. An adjusted R-squared is a modification of the R-square that has been adjusted for the number of predictors in the model. Therefore, adding more variables to the model will not increase the prediction power of the model by much. The adjusted R-square describes the percentage of the variation in the dependent variable that is explained by the independent variables.

### 7.6.1 The moderation of PDI on the relationship between trust and purchase intention

*H<sub>2</sub> Power distance (PDI) has a negative and significant effect on the relationship between trust and purchase intention in social commerce*

Table 7.14 (below) displays that the null hypothesis can be rejected at the 5% level of significance with p-value 0.00 and test statistic 200.250. Thus, the predictors are considered valuable and the overall model is significant.

**Table 7.14: ANOVA demonstrating the moderation of PDI on trust and purchase intention**

ANOVA <sup>a</sup>		Sum of Squares	df	Mean Square	F	Sig.
Model	Regression	634.574	3	211.525	200.250	.000 <sup>b</sup>
	Residual	567.234	537	1.056		
	Total	1201.808	540			

The power distance and trust interaction term was created for this method. Results demonstrated in the Analysis of Variance (ANOVA) tables show a significance level of 0.00, which means that the predictors are considered valued predictors of the model. It looks at the population means and tests whether the means in different populations are equal. If the null Hypothesis is rejected, it means that predictors are different and thus can discriminate in the model.

Table 7.15 (below) shows that the model has an R<sup>2</sup> of 0.528. R<sup>2</sup> shows the prediction power of this study's model. It is the percentage that the x variables can predict the outcome variables. Therefore, 52.8% of the variation in purchase intent can be explained by Trust, Power Distance and the interaction moderation term that was created. An adjusted R<sup>2</sup> of 0.525 is seen, which makes the model a reasonable fit; 40-60% is a moderate model and less than 40% is a weak model. Therefore, the fit of this model is moderate – and adding more variables will not improve the fit of the model by much.

**Table 7.15: Showing the fit of the model**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.727 <sup>a</sup>	.528	.525	1.02777

**Table 7.16: Examining interaction effects of PDI on trust and purchase intention**

Coefficients <sup>a</sup>			
Model	Standardized Coefficient Beta	t	Sig.
1 (Constant)		-1.261	.208
Trust	.853	8.912	.000
Power Distance	.319	2.399	.017
Interaction: trust*Pdist	-.277	-1.634	.103

$$H_0: B_{\text{trust}} = 0$$

$$H_1: B_{\text{trust}} \neq 0$$

Therefore, we can reject  $H_0$  at a significance level of 5% with p-value 0.00 and test statistic 8.912. We can thus conclude that there is a significant positive relationship between trust and purchase intent, as the standardised coefficient is 0.319. This means that if PDI is increased by 1 unit, Purchase intent will increase by 0.319 units.

$$H_0: B_{\text{powerdist}} = 0$$

$$H_1: B_{\text{powerdist}} \neq 0$$

Therefore,  $H_0$  is rejected at a significance level of 5% with p-value 0.017 and test statistic 2.399 – and conclude that there is a relationship between power distance and purchase intention.

$$H_0: B_{\text{interaction}} = 0$$

$$H_1: B_{\text{interaction}} \neq 0$$

Therefore, we cannot reject  $H_0$  at significance level of 5% with p-value 0.103 and test statistic -1.634. This study can thus conclude that power distance does not moderate the relationship between trust and purchase intention, because the interaction effect between trust and power distance was found to have no significant effect on purchase intent at the 5% level of significance.

### 7.6.2 The moderation of IDV on the relationship between trust and purchase intention

*H<sub>3</sub> IDV has a positive and significant effect on the relationship between trust and purchase intention in social commerce.*

**Table 7.17: ANOVA Table demonstrating the moderation of IDV on trust and purchase intention**

ANOVA <sup>a</sup>		Sum of Squares	df	Mean Square	F	Sig.
Model						
	Regression	619.774	3	206.591	190.607	.000 <sup>b</sup>
	Residual	582.034	537	1.084		
	Total	1201.808	540			

Table 7.18 (below) shows the model has a R<sup>2</sup> of 0.516. This displays a moderate model and further demonstrates that 51.6% of the variation in purchase intent can be explained by trust, individualism and the interaction moderation term that was created. An adjusted R<sup>2</sup> of 0.513 means that the model is significant.

**Table 7.18: Showing the model is a good fit**

Model Summary <sup>b</sup>			
Model	R	R Square	Std. Error of the Estimate
1	.718 <sup>a</sup>	.516	1.04109

**Table 7.19: Examining interaction effects of IDV on trust and purchase intention**

Coefficients <sup>a</sup> Model	Standardized Coefficient		
	Beta	t	Sig.
1 (Constant)		.363	.717
Trust	.762	9.091	.000
Individualism	.101	.814	.416
Interaction: trust*Indiv	-.082	-.564	.573

$$H_0: B_{\text{trust}} = 0$$

$$H_1: B_{\text{trust}} \neq 0$$

In table 7.19 (above), the test of the moderation of the cultural dimension of Individualism, demonstrates a rejection of  $H_0$  at significance level of 5%, with p-value 0.00 and test statistic 9.091. Therefore, a relationship concludes between trust and purchase intent.

$$H_0: B_{\text{individualism}} = 0$$

$$H_1: B_{\text{individualism}} \neq 0$$

Therefore,  $H_0$  at significance level of 5% with p-value 0.416 and test statistic 0.814 cannot be rejected, and a relationship between individualism and purchase intent cannot be concluded

$$H_0: B_{\text{interaction}} = 0$$

$$H_1: B_{\text{interaction}} \neq 0$$

Thus, when testing the interaction term,  $H_0$  is not rejected at a level of 5% with p-value 0.573 and test statistic -0.564. The interaction effect between trust and individualism was found to have no significant effect on purchase intent at the 5% level of significance.

### **7.6.3 The moderation of UAI on the relationship between trust and purchase intention**

*H<sub>5</sub>. Uncertainty Avoidance (UAI) has a positive and significant effect on the relationship between trust and purchase intention in social commerce.*

**Table 7.20: ANOVA Table demonstrating the moderation of UAI on trust and purchase intention**

ANOVA <sup>a</sup>	Sum of Squares	Mean Square	F	Sig.
Model				
1 Regression	618.380	206.127	3	.000 <sup>b</sup>
Residual	583.427	1.086	537	
Total	1201.808		540	

In Table 7.21 (below), the R-square of 0.515 displays a moderate model and the adjusted R-square tells that 51.2% of the variation in purchase intent can be explained by Trust, Uncertainty Avoidance and the interaction moderation term that was created.

**Table 7.21: Showing overall model significance**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717 <sup>a</sup>	.515	.512	1.04233

**Table 7.22: Table examining interaction effects of UAI on trust and purchase intention**

Coefficients <sup>a</sup>	Standardized Coefficient			Sig.
	Model	Beta	t	
1 (Constant)			1.510	.132
Trust		.682	7.668	.000
Uncertainty Avoidance		-.062	.470	.639
Interaction: trust*UAI		.065	.422	.673

$$H_0: B_{\text{trust}} = 0$$

$$H_1: B_{\text{trust}} \neq 0$$

In Table 7.22 (above)  $H_0$  is rejected at significance level of 5% with p-value 0.00 and test statistic 7.668. A relationship between trust and purchase intent is concluded.

$$H_0: B_{\text{UncertaintyAvoidance}} = 0$$

$$H_1: B_{\text{UncertaintyAvoidance}} \neq 0$$

Therefore,  $H_0$  at significance level of 5% with p-value 0.639 and test statistic 0.470 cannot be rejected. Thus, a relationship between uncertainty avoidance and purchase intent cannot be concluded.

$$H_0: B_{\text{interaction}} = 0$$

$$H_1: B_{\text{interaction}} \neq 0$$

Thus,  $H_0$  at significance level of 5% with p-value 0.673 and test statistic 0.422 cannot be rejected. Therefore, UAI has a relationship with Purchase Intention – but it does not change the direction of the relationship between Purchase Intention and trust. UAI does thus not moderate the relationship between trust and purchase intent. The interaction effect between trust and UAI was found to have no significant effect on purchase intent at the 5% level of significance.

## **7.7 SUMMARY OF THE FINAL MODEL**

Of the relationships in the model, Trust was found to have a positive significant effect on Purchase Intention in social commerce shopping behaviour. None of the cultural dimensions had a significant effect on the relationship between Trust and Purchase Intention, and Individualism had a negative effect.

## **7.8 CONCLUSION**

In this chapter, an introduction was given regarding the analysis and statistical tests used in the study – including the order in which these tests would be discussed. The hypotheses are tested and the results are discussed in the chapter summary.

## **7.9 CHAPTER SUMMARY**

Research 1 examined the positive and significant relationship between trust and purchase intention. First, assumption of normality tests through Kolmogorov-Smirnov showed the data to not be normal. Skewness and Kurtosis tests further examined the data – concluding that the descriptive tests did show normality in the data. Last, Pearson correlation was used to test the relationship between trust and Purchase Intention, and a significant relationship between trust and purchase intention in social commerce was found. The study conducted further tests on this relationship through a linear regression analysis, and confirmed that trust and purchase intention have a significant and positive relationship. This aligns with current social commerce literature.

Research question 2 proposed a negative and significant effect of Power Distance on the relationship between trust and Purchase Intention. The model showed a good fit ( $R^2$  0.525), trust had a positive relationship with Purchase Intention ( $t$  8.912), Power Distance had a relationship with Purchase Intention ( $t$  2.399), but Power

Distance did not moderate the relationship between trust and Purchase Intention ( $t = -1.634$ ).

Research question 3 proposed that IDV negatively and significantly effects the relationship between trust and purchase intention. The model showed a good fit ( $R^2 = 0.513$ ), trust had a positive relationship with Purchase Intention ( $t = 9.091$ ), and a relationship cannot be concluded between Individualism and Purchase Intention ( $t = 0.814$ ). Individualism did not moderate the relationship between trust and Purchase Intention ( $t = -0.564$ ).

Research question 5 proposed that Uncertainty Avoidance positively and significantly effects the relationship between trust and purchase intention. The model showed a good fit ( $R^2 = 0.515$ ), and trust had a positive relationship with Purchase Intention ( $t = 7.668$ ). However, no relationship was found between Purchase Intention and Uncertainty Avoidance ( $t = -0.470$ ), and Uncertainty Avoidance does not moderate the relationship between trust and purchase Intention ( $t = 0.422$ ).

The next chapter is the final chapter in the study. In it, conclusions and recommendations are discussed through an introduction, a review of the validity of the structural equation models, discussion of the major findings and conclusions, the theoretical *and* managerial implications of the study, and limitations and recommendations for future research.

## CHAPTER 8

### CONCLUSIONS AND RECOMMENDATIONS

#### 8.1 INTRODUCTION

In the preceding chapter the presentation and analysis of the data was reported and discussed. Chapter 8 comprises the review of the validity of the model and includes a discussion on the main findings and contributions of this study – the theoretical managerial implications of the study. The limitations and future recommendations of the study are also discussed.

The purpose of this chapter is to expand on the concepts raised in the literature review, to examine insights on culture and its lack of moderation on the relationship between trust and purchase intention, to discuss important theoretical implications, and provide suggestions for further research in this domain.

#### 8.2 REVIEW OF THE VALIDITY AND RELIABILITY OF THE MODEL

The internal consistency of the model was tested using Cronbach alpha (CA) values, and the measurement items were computed using a composite construct reliability coefficient (CA). Trust, Purchase Intention, Power Distance, Individualism, Uncertainty Avoidance, Long Term Orientation and Masculinity were found to be internally consistent and therefore reliability was demonstrated. Masculinity (H4) and Long-Term Orientation (H6) did not reveal convergent validity which resulted in their exclusion. In addition, Masculinity did not meet the composite reliability requirement. According to Hair, Ringle and Starstedt (2011), indicators with loadings of 0.40-0.70 should only be removed if deleting the scale item increases the composite reliability.

Construct validity was tested through the evaluation of convergent and discriminant validity. The coefficient AVE needs to be extracted and greater than 0.5 (Hair *et al.*, 2011). All constructs achieved the minimum average of 0.5 – with the exception of Masculinity and Long-Term Orientation which do not display AVE greater than 0.5. Masculinity and Long-Term Orientation scales would then need to be removed for internal consistency. Discriminant validity was evaluated through the Fornell-Larcker criterion and second, the model cross-loadings. The Fornell-Larcker criterion, as shown in table 7.5 states that the square root AVE was found to be greater than any other loadings with other constructs. The correlation Matrix showed that the five factors loaded – Trust, Purchase Intention, PDI, IDV and UAI – explained 69.77% of the variance in the data.

### **8.3 MAIN FINDINGS AND CONCLUSIONS**

One of the motivations behind this study was to explore two multi-dimensional constructs, that of trust and culture, within a social commerce context. A conceptual model was developed for investigating the three main concepts, namely trust, culture and purchase intention, using quantitative research methods. The intentions of the study were to confirm and develop current theory around culture and online trust, but to also stimulate new discussions of these variables in research through the context of social commerce.

#### **8.3.1 Hypothesis 1**

*Trust has a positive and significant effect on purchase intention in social commerce.*

A strong positive relationship was found between trust and purchase intention – with 68% of the variation in purchase intention attributed to trust. The influential role that trust plays in purchase intention within an online environment is consistent with previous studies (Hajli, 2015; Lu *et al.*, 2016; Kim and Park, 2013; Ng, 2013). The trust findings in Lu *et al.* (2016) are claimed to be of significant influence and demonstrate a lower value than this study. Purchase intention is influenced by trust by 38%, and 35% of trust in sellers is explained by purchase intention. In this study, trust in the social commerce firm accounts for 51.3% of the variance explained in purchase intention. This demonstrates that if trust increases, the intention to purchase increases. In addition, this shows that trust is a key predictor of purchase intentions in the social networking site (Hajli *et al.*, 2017b), and that trust in a social networking site is therefore essential. Therefore, the results provide support for H<sub>1</sub>. Trust in e-commerce is critical for success (Wang and Emurian, 2005), and trust is an essential component in an online community (Shanmugam *et al.*, 2016; Hajli *et al.*, 2017b). Previous studies have shown that a lack of trust is a barrier to purchase intention (Chang and Chen, 2008).

For trust to have a positive effect on purchase intention, illustrates that individuals of the sample believe in the honesty, integrity and benevolence of the social commerce firm (Gefen and Straub, 2004; Kim and Park, 2013). In other words, they either believe or are willing to believe in the firm's ability and consistency. Ganguly *et al.* (2010) maintain that consistency gives rise to credibility of the online retailer – which could be a result of the reputation of the firm consistently providing a good service over time. Previous studies highlight that consumer perception of an online retailer's reputation influences trust in that online retailer (Jarvenpaa, 2000; Doney and Cannon, 1997).

Furthermore, Hajli *et al.* (2017) determined that trust positively influences purchase intentions in social commerce through information-seeking behaviour. Through information-seeking behaviour, familiarity of the platform is built, which induces social presence, and social presence is the warmth and sociability of the platform which facilitates trust (Hassanein *et al.*, 2009; Gefen and Straub, 2004). Social commerce constructs are the tools used to facilitate information-seeking behaviour,

which Hajli (2015) argues, give social commerce users reason to trust the social commerce firm. Other social commerce characteristics, besides reputation, could also arguably be factors indirectly contributing to the positive relationship between trust and purchase intention – because Kim and Park (2013) found that when these variables were presented favourably to the social commerce user, they are likely to trust that firm.

A positive relationship exists between trust and purchase intention in PDI, IDV and UAI. Regarding the relationship between trust and purchase intention in PDI, the survey results conclude that most respondents somewhat disagreed that subordinates are strictly governed by their superiors, which demonstrates that the sample leans toward moderately low PDI cultural traits. In low PDI societies, individuals are more susceptible to innovation and change, and see less threat and uncertainty when shopping online. Regarding trust and purchase intention in IDV, the sample reflected moderate to high IDV cultural traits, which demonstrates that if individualists trust their own opinions above those of the ‘in-group’, then it could mean a distrust in social commerce, as they might not trust the opinions of others as readily as a collectivist individual. The sample revealed a moderate to low UAI, which means this sample base their decisions on information sources from impersonal sources such as direct sources rather than from personal sources such as social networking sites where trust dominate decision-making is favoured in COL individuals (Dawar, Parker and Price, 1996).

None of the cultural dimensions moderated the relationship between trust and purchase intention in this study. The empirical data show that no significant effect was found by the three cultural dimensions of PDI, IDV and UAI on the relationship between trust and purchase intention in social commerce.

### **8.3.2 Hypothesis 2**

*Power Distance (PDI) negatively and significantly moderates the relationship between trust and purchase intention in social commerce.*

A direct and positive relationship between purchase intention and Power Distance (2.399) was found, but the model concluded no moderating effect of PDI between trust and purchase intention (-1,634). The above results show there is no support for hypotheses 2. This aligns with the findings of Yoon (2009), where PDI has no interaction effects with trust and intention to use, but positive direct effects on intention to use, so confirming PDI as an antecedent of intention to purchase. In a study by Haikkanen and Laukkanen (2018), PDI did not mediate the relationship between trust disposition and trustworthiness, but rather a direct positive effect was found on Integrity and Benevolence. Pavlou and Chai (2002) suggested the cultural effect of PDI had marginal influence on purchase intention, and the small sample size was suggested as a possible prohibiting factor. In a study by Goodrich and de Mooij (2013) on the cross-cultural comparison of online and offline decision influences, PDI was confirmed to have a positive and significant effect on the use of social media and on trust in online forums. However, no correlation was found with

PDI in search engines and a marginal correlation was found between PDI and trust in websites. The descriptive tests on the power distance summated scale indicated that respondents mostly disagree to the neutral point, that subordinates are strictly governed by their superiors, which demonstrates a low PDI attitude, but this did not correlate with the outcome.

### **8.3.3 Hypothesis 3**

*Individualism (IDV) negatively and significantly moderates the relationship between trust and purchase intention in social commerce.*

A relationship cannot be confirmed between IDV and purchase intention (0.814), and IDV did not moderate the relationship between trust and purchase intention (-0.564). Therefore, the study finds no support for Hypothesis 3. This aligns with Yoon (2009) where IDV had no significant effect on trust and intention to use, and with Hallikainen and Laukkanen (2018) who called for further studies on their outcome of a direct negative effect between collectivism and ability. Ganguly *et al.* (2010) also concluded no moderating effects on collectivism at the individual level, but differences were seen at the country level, and furthermore that collectivism negatively moderates the relationship between trust and purchase intention. These conclusions perhaps suggest that western culture places more emphasis on trust in generating purchase intention.

### **8.3.4 Hypothesis 4**

*Masculinity positively and significantly moderates the relationship between trust and purchase intention in social commerce.*

Masculinity did not reveal convergent validity and in addition, Masculinity did not meet the composite reliability requirement, therefore it was excluded.

### **8.3.5 Hypothesis 5**

*Uncertainty Avoidance positively and significantly moderates the relationship between trust and purchase intention in social commerce.*

The regression analysis found no relationship between UAI and Purchase Intention. UAI does not moderate the relationship between trust and purchase intention and therefore there is no support for Hypothesis 5. Members of high UAI culture are expected to have low tolerance for uncertainty (Hofstede, 2005). Trust in an online firm reduces the risks and uncertainties. Therefore online retailers should increase trust for those consumers with high UAI tendencies. The results of the survey indicate that the sample trusted the social commerce firm and therefore the reputation was deemed to be a good one. The model demonstrates that trust exists in the social commerce firm. Because the sample was taken from a branded Facebook page, it can also be assumed that the members are familiar with the brand. El Said and Galal-Edeen (2009) found, in their study on Egyptian e-commerce users, that the more familiar and higher the reputation of the store the less uncertainty there was about the e-Commerce store.

### **8.3.6 Hypothesis 6**

*Long-term orientation positively and significantly moderates the relationship between trust and purchase intention in social commerce.*

Long-term orientation did not reveal convergent validity and therefore it was excluded.

## **8.4 IMPLICATIONS**

This research has produced several theoretical and managerial findings. The theoretical and managerial implications are discussed below:

### **8.4.1 Theoretical implications**

This study attempts to create insight and add to current scholarly work around trust, purchase intention and culture in social commerce shopping behaviour.

First, acknowledging that social commerce is a relatively new phenomenon, and while an adequate number of social commerce studies continue to be conducted in a global academic research context, social commerce studies in the South African context are inadequate. At the time of the conclusion of this study, no comparative studies of this nature were found in the South African context. This study therefore provides a framework to test this model within future social commerce theoretical studies – specifically in the context of South Africa. The study further draws attention to the necessity of specifying the type of social networking site used. This study used a branded Facebook page due to the built, interactive nature of the platform. In a study by Yahia *et al.* (2018), social interactions had a negative impact on trust on Instagram (Yahia *et al.*, 2018).

Second, prior online trust studies focused on trust antecedents in e-commerce contexts (Ganguly *et al.*, 2010; Kim *et al.*, 2008; Das, 2016) and social commerce contexts (Hsiao *et al.*, 2010; Kim and Park, 2013) – whereas this study focused on the relationship of consumer trust with their intention to buy within an actual branded social commerce site.

Third, new light is shed on the relationships between all the variables within the conceptual mode– not only between trust and purchase intention, but also between purchase intentions and the cultural dimensions. Most studies have measured culture using a country as a surrogate (Cyr, 2008) and testing a selection of the cultural dimensions (Ng, 2013; Goodrich and de Mooij, 2013), compared to this study that attempts all five cultural dimensions and measures culture at the individual level. The unexpected findings of the non-moderation of culture found in this study raise interesting theoretical questions on culture and provide motivation for future studies to further test these findings using other variables, this is further discussed in the limitations section.

Fourth, The TRA is confirmed as a successful theoretical framework for testing the direct relationship between trust and purchase intention in social commerce.

#### **8.4.2 Managerial implications**

The practical implications and recommendations to marketers directly relate to the findings in this study.

The results emphasise the significant effect of trust on purchase intentions in social commerce, specifically with a branded Facebook page. This demonstrates that firms need to adjust their business strategies by adopting a robust social commerce strategy through the development of trust. As indicated in previous research, trust is critical for online success (Wang and Emurian, 2005). If distrust in online websites is a barrier to online shopping in South Africa (Safa and von Solms, 2015), then distrust in a social commerce site will also hinder social commerce purchase intentions. Brands should therefore look at ways to incorporate these trust drivers within their social networking sites, such as facilitating social interactions through social commerce constructs where social support and social presence contribute to the development of trust (Hajli, 2015, 2017).

Brands need to align their core business offering to a social networking site that best suits their business objectives and audience needs. This will ensure that trust is built according to the social networking site's abilities and the relevant target market. Facebook is more interactively developed compared to Instagram, which is more visually stimulating (Yahia *et al.*, 2018). Social interactions were found to have a negative impact on trust on Instagram (Yahia *et al.*, 2018). Platform consideration in South Africa is also highlighted by Viljoen *et al.* (2016), who found that in their sample Twitter was considered a stronger platform driver of purchase intentions than Facebook. This shows that organisational leaders and marketers must invest in social networking sites according to their business and target market needs. Given the demographics of South Africa – not investing in Twitter and Facebook will hinder the expansion of the business.

From a local economic perspective, increased social media usage year-on-year (Kemp, 2018) demonstrates the need for adopting innovative social media strategies, such as social commerce particularly across the SMEs. With the ability to market and sell directly off Facebook, this cost-effective marketing platform will be accessible and rewarding for these businesses to gain consumer insights through targeted advertising and trackable insights and gaining financial reward.

#### **8.5 LIMITATIONS OF THE STUDY**

Insights have been gained into trust, purchase intention and culture within social commerce. Nevertheless, as in many empirical studies, this study does have its limitations, which are outlined below.

First the study assessed consumer intentions rather than their behaviour, and potentially this could be assessed rather than the purchase intention used in this study.

Second, the sample was taken from a branded Facebook page, which has many drawbacks. A branded community might attract a dominant cultural segment, as seen in this sample (67.84% white vs 5.6% black), and therefore the sample is definitely not representative of all South African social commerce shoppers. Furthermore, the target population – that of South African social commerce users – may limit the generalisability of the studies of social commerce users to other countries. Also, the type of product /service used in this study (footwear, apparel and accessories) that are sold by the brand, could produce different results compared to other products sold such as books – as books do not have the sizing issues that come with apparel and footwear. The method of distributing the survey on the social commerce firm's Facebook page to consumers who might have a preconceived idea of the brand, might also bias the sample, and despite the reward voucher being made available to all respondents completing or not completing the survey – it still might represent influence.

Third, the criticism of Hofstede's national cultural dimensions has been examined and poses as a limitation to this study – as it is measuring culture on the individual level, as highlighted by Srite and Karahanna (2006). On the other hand, future studies might consider testing this framework through GLOBE (Venaiik and Brewer, 2013).

Fourth, the measurement items used in the final mode were an acceptable level of reliability and convergent validity. However, to achieve this, the scales of Masculinity and Long-Term Orientation had to be removed, and other studies might want to include these cultural dimensions to keep testing the significance in social commerce.

Fifth, the framework used in this study, the TRA, is long-standing and deep-rooted. Many other new frameworks are being applied to social commerce research and are listed in the conceptual model chapter, and might be more applicable to social commerce research, such a trust transference theory.

## **8.6 RECOMMENDATION FOR FUTURE STUDIES**

Most important for future studies is to first check the pre-data collections and post-data collections through the recommendations made by Aguinis and Gottfredson (2010), in order to eliminate potential low statistical power – especially if a multiple moderated regression (MMR) is used to analyse the data. The study used a cross-sectional design, which means it was conducted at a single point of time and not over a longer time period. Adopting a longitudinal study might give a deeper understanding of trust and the cultural outcomes. Despite the non-moderation of culture found in this study, previous studies focusing on more traditional samples in

rural areas (Kabanda and Brown, 2017) have shown that traditions hinder trust on e-commerce. This studies mode will give valuable insight if used in cross-cultural studies as well as other social networking sites such as Instagram or Twitter.

The framework of the study could also be extended by adding Indulgence as a sixth cultural dimension, and/or other variables in the model such as perceived risk and perceived benefits. Exploring different types of risks and benefits will be helpful in overcoming risk barriers as well as in enhancing the benefits – as will be applying this study through a different social networking platform such as Twitter or Instagram. This study used the Theory of Reasoned Action to ascertain trust and behavioural intention. However, future studies exploring social commerce and branded pages might want to consider applying a more modern theoretical framework such as Social Exchange Theory (Shiau and Luo, 2012). This study acknowledges that culture goes beyond the values assigned to it, and more theoretical and empirical research is needed in this direction to uncover this multi-dimensional and multi-layered cultural phenomenon. Therefore, caution should be applied when drawing parallels and generalising findings.

## **8.7 CHAPTER SUMMARY**

This study investigated the moderation of culture on the relationship between trust and purchase intention in social commerce shopping behaviour. In the literature review, the barriers of uncertainty and distrust are eliminated through increasing trust in the online platform – as trust is maintained to be critical for social commerce success. Furthermore, the literature on the effects of culture on trust in e-commerce and social commerce were explored to assist with the development of the research question, and ultimately concluded that trust beliefs are different from one culture to another (Gefen and Heart, 2006). The findings established that trust has a significant and positive effect on purchase intention, whereas, unexpectedly, the culture dimensions of Power Distance, Individualism and Uncertainty had no significant effect on the relationship between trust and purchase intention. It was suggested by Anguinis and Gottfredson (2010) that their best practice guide of eliminating the potential of low statistical power should be followed, as low statistical power can give incorrect moderation outcomes. Based on the findings of the study, practical recommendations were made to managers on how to build trust in their social networking sites, as well as how to be conscious of the challenges faced in this study. Areas for further research were also identified.

## REFERENCES

- Adams, J., Khan, H. and Raeside, R. (n.d.). *Research methods for business and social science students*.
- Aguinis, H. and Gottfredson, R. K. (2010). 'Best-practice recommendations for estimating interaction effects using moderated multiple regression', *Journal of Organizational Behavior*, 31(6): 776-786. doi: 10.1002/job.686.
- Ahmad, S. N. and Laroche, M. (2016). 'Analyzing electronic word of mouth: A social commerce construct', *International Journal of Information Management*. doi: 10.1016/j.ijinfomgt.2016.08.004.
- Ajzen, I. (1991). 'The Theory of Planned Behavior', *Organizational Behavior and Human Decision Processes*, 50:179-211.
- Ajzen, I. and Fishbein, M. (1980). *Understanding attitudes and predicting social behavior*. Englewood Cliffs, NJ: Prentice-Hall.
- Busalim, A. H. and Hussin, A. R. C. (2016). 'Understanding social commerce: A systematic literature review and directions for further research', *International Journal of Information Management*, 36(6):1075-1088. doi: 10.1016/j.ijinfomgt.2016.06.005.
- Chen, J. and Shen, X. L. (2015). 'Consumers' decisions in social commerce context: An empirical investigation', *Decision Support Systems*, 79:55-64. doi: 10.1016/j.dss.2015.07.012.
- Cheng, S., Sai, M., Cheng, N. and Chen, K. (2012). 'Predicting intention to purchase on group buying website in Taiwan', *Online Information Review*, 36(5):698-712.
- Chin, W. (1998). 'The partial least squares approach for structural equation modeling', *Modern Methods for Business Research* (pp. 295–336). Hillsdale, NJ: Lawrence Erlbaum.
- Cho, C. H., and H. J. Cheon. (2005). 'Cross-Cultural Comparisons of Interactivity on Corporate Web Sites: The United States, the United Kingdom, Japan, and South Korea', *Journal of Advertising*, 34 (2):99-116.
- Choe, J. (2004). 'The consideration of cultural differences in the design of information systems', *Information & Management*, 41(5):669–684. doi: 10.1016/j.im.2003.08.003.
- Chui, M., Manyika, J., Bughin, J., Dobbs, R., Roxburgh, C., Sarrazin, H., Sands, G. and Westergren, M. (2012). *The Social Economy: Unlocking value and productivity through social technologies*. McKinsey Institute: Available: <https://www.mckinsey.com/~media/McKinsey/Industries/High%20Tech/Our%20Insig>



Effective Measure E-Commerce Industry Report (2016). Available: <http://blog.effectivemeasure.com/za-ecommerce-report-june-2016> [Accessed March 9 2017].

Euromonitor Internet Retailing in South Africa (2018). Available: <https://mybroadband.co.za/news/business/207168-biggest-online-shops-in-south-africa.html> [Accessed 9 August 2018].

Facebook Newsroom (2018). Available: <https://newsroom.fb.com/company-info/> [Accessed 12 June 2018].

Fishbein, M. (1980). 'A Theory of Reasoned Action: Some Applications and Implications', Nebraska Symposium on Motivation, Lincoln, NB: University of Nebraska Press (pp. 65-116).

Fishbein, M. and Icek, A. (1975). *Belief, Attitude, Intention Behavior: An Introduction to Theory and Research*, Reading, MA: Addison-Wesley.

Fishbein, M. and Icek, A., eds. (1980). 'Predicting and Understanding Consumer Behavior: Attitude-Behavior Correspondence in understanding attitudes and predicting social behavior', Englewood Cliffs. NJ: Prentice-Hall (pp. 148-172).

Fishbein, M. and Yzer, M. C. (2003). 'Using Theory to Design Effective Health Behavior Interventions', *Communication Theory*, 13(2):164-183.

Forbes (2018). *The World Largest Public Companies*: Available <https://www.forbes.com/global2000/list> [Accessed 15 July 2018].

Ganguly, B., Dash, S. B., Cyr, D. and Head, M. (2010). 'The effects of website design on purchase intention in online shopping: The mediating role of trust and the moderating role of culture', *International Journal of Electronic Business*, 8(45):302-330. doi: 10.1504/IJEB.2010.035289.

Gefen, D. (2000). 'E-commerce: The role of familiarity and trust', *Omega*, 28(6):725-737. doi: 10.1016/S0305-0483(00)00021-9.

Gefen, D. and Heart, T. (2006). 'On the need to include national culture as a central issue in e-commerce trust beliefs', *Journal of Global Information Management*, 14(4):1-30.

Gefen, D. and Straub, D. W. (2004). 'Consumer trust in B2C e-Commerce and the importance of social presence: Experiments in e-Products and e-Services', *Omega*, 32(6):407-424. doi: 10.1016/j.omega.2004.01.006.

Gefen, D.W. and Straub, D. (2005). 'A practical guide to factorial validity using PLS-Graph: Tutorial and annotated example', *Communications of the Association for Information Systems*, 16(5):91-109.

George, D., & Mallery, M. (2010). *SPSS for Windows Step by Step: A Simple Guide and Reference*, 17.0 update (10a ed.) Boston: Pearson.

Godes, D., Mayzlin, D., Das, S., Dellarocas, C., Pfeiffer, B., Libai, B., Sen, S., Shi, M., and Verlegh, P. (2005). 'The Firm's Management of Social Interactions', *Marketing Letters*, 16(1):415-428. doi: 10.1007/s11002-005-5902-4

Ha, H. (2004). 'Factors influencing consumer perceptions of brand trust online', *Journal of Product & Brand Management*, 13(5):329-342. doi: 10.1108/10610420410554412.

Hair, J. F., Ringle, C. M. and Sarstedt, M. (2011). 'PLS-SEM: Indeed a Silver Bullet', *Journal of Marketing Theory and Practice*, 19(2):139-152. doi: 10.2753/MTP1069-6679190202

Hajli, M. N. (2014a). 'A study of the impact of social media on consumers', *International Journal of Market Research*, 56(3):387-404. doi: 10.2501 /U M R-2014-025.387.

Hajli, N. (2015a). 'Social commerce constructs and consumer's intention to buy', *International Journal of Information Management*, 35(2):183-191.

Hajli, M. N., Sims, J., Featherman, M. and Love, P. E. D. (2015b). 'Credibility of information in online communities', *Journal of Strategic Marketing*, 23(3):238-253. doi 10.1080/0965254X.2014.920904

Hajli, N., Shanmugam, M., Papagiannidis, S., Zahay, D. and Richard, M. O. (2017a) 'Branding co-creation with members of online brand communities', *Journal of Business Research*, 70, pp. 136–144. doi: 10.1016/j.jbusres.2016.08.026.

Hajli, N., Sims, J., Zadeh, A. H. and Richard, M. O. (2017b). 'A social commerce investigation of the role of trust in a social networking site on purchase intentions', *Journal of Business Research*, 71:133-141. doi: 10.1016/j.jbusres.2016.10.004.

Hajli, N. and Featherman, M. S. (2017c). 'Social commerce and new development in e-commerce technologies', *International Journal of Information Management*, 37(3):177-178. doi: 10.1080/0965254X.2014.920904.

Hallikainen, H. and Laukkanen, T. (2018). 'National culture and consumer trust in e-commerce', *International Journal of Information Management*, 38(1):97-106. doi: 10.1016/j.ijinfomgt.2017.07.002.

Hassanein, K., Head, M. and Ju, C. (2009). 'A cross-cultural comparison of the impact of social presence on website trust, usefulness and enjoyment', *International Journal of Electronic Business*, 7(6):625. doi: 10.1504/IJEB.2009.029050.

Hennig-Thurau, T., Gwinner, K. P., Walsh, G. and Gremler, D. D. (2004). 'Electronic word-of mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the Internet?', *Journal of Interactive Marketing*, 18(1):38-52.

Hillcock, L. (2017). 'Woolworths forges ahead with digital strategy.' Available: <http://www.bizcommunity.com/Article/196/182/170146.html> [Accessed 8 April 2018].

Hofstede, G. and Hofstede, G. J. (2011). 'Dimension of national cultures'. Available: <https://www.hofstede-insights.com/product/compare-countries> [Accessed 11 March 2017].

Hsiao, K.-L., Lin, J., Wang, C.-C., Lu, X.-Y. and Yu, H.-P. H. (2010). 'Antecedents and consequences of trust in online product recommendations: An empirical study in social shopping', *Online Information Review*, 34(6):935-953.

Huang, Z. and Benyoucef, M. (2017). 'The effects of social commerce design on consumer purchase decision-making: An empirical study', *Electronic Commerce Research and Applications*, 25:40–58. doi: 10.1016/j.elerap.2017.08.003.

Hofstede, G. (1991). *Cultures and Organizations: Software of the Mind: Intercultural Cooperation and Its Importance for Survival*. New York, NY: McGraw-Hill International.

Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations*. Thousand Oaks, CA: Sage Publications.

Hofstede, G., Hofstede, G. J. and Minkov, M. (2010). *Cultures and Organizations: Software of the Mind*. New York: McGraw-Hill USA.

Hoogduijn, V. 2018. *Online Trends in South Africa: Technology is giving e-commerce a huge boost*. Available: <https://www.moneyweb.co.za/news/economy/exponential-growth-curve-ahead-for-online-retail-in-south-africa/> [Accessed 21 July 2018].

Iglesias-Pradas, S., Pascual-Miguel, F., Hernández-García, Á. and Chaparro-Peláez, J. (2013). 'Barriers and drivers for non-shoppers in B2C e-commerce: A latent class exploratory analysis', *Computers in Human Behavior*, 29(2):314-322. doi: 10.1016/j.chb.2012.01.024.

Indvik, I. 2013. *The 7 species of social commerce*. Available: <https://mashable.com/2013/05/10/social-commerce-definition/> [Accessed 9 June 2018].

- Jarvenpaa, S. L., Tractinsky, N. and Saarinen, L. (1999). 'Consumer trust in an internet store: A cross-cultural validation', *Journal of Computer Mediated Communication*, 5(2):1-36.
- Jarvenpaa, S. L., Tractinsky, J. and Vitale, M. (2000). 'Consumer trust in an internet store', *Information Technology and Management*, 1(1-2):45-71.
- Keen, P. G. W. (1997). 'Are you ready for "Trust" Economy', *ComputerWorld*, 31(16):80.
- Kemp., S. (2018). 'Hootsuites Global Digital Snapshot. Available: <https://www.slideshare.net/wearesocial/digital-in-2018-global-overview-86860338> [Accessed 11 March 2018].
- Kim, D. J., Ferrin, D. L. and Rao, H. R. (2008). 'A trust-based consumer decision-making model in electronic commerce: The role of trust, perceived risk, and their antecedents', *Decision Support Systems*, 44(2):544-564. doi: 10.1016/j.dss.2007.07.001.
- Kim, S and Park, H. (2013). 'Effects of various characteristics of social commerce on consumers' trust and trust performance', *International Journal of Information Management*, 33(2):318-332 doi: 10.1016/j.ijinfomgt.2012.11.006.
- Kim, K. and Prabhakar, B. (2000). Initial trust, perceived risk, and the adoption of internet banking. Proceedings of Information Systems International Conference, Atlanta, Georgia, USA.
- Kim, R. B. (2008). 'Wal-Mart Korea: Challenges of entering a foreign market', *Journal of Asia-Pacific Business*, 9(4):344-357. doi: 10.1080/10599230802453604.
- Kim, Y. H. (2011). Market analysis and issues of social commerce in Korea, *KISDI*, 23(11):41-63.
- Kotler, P. and Keller, K. L. (2009). *Marketing management* 13<sup>th</sup> ed. Upper Saddle River, NJ: Pearson Prentice Hall.
- Kuan, H. H. and Bock, G. W. (2007). Trust transference in brick and click retailer: An investigation of the before online visit phase. *Information & Management*, 44(2):175-187.
- Lappeman, J., Kabi, T., Oglesby, H., Palmer, O. (2017) 'Post-switching behaviour: Bottom of the Pyramid (BOP) stockpiling as a result of sales promotion', *Academy of Marketing Studies Journal* 21 (1), 18-4.

- Lee, J. and Lee, M. (2011). 'Factors Influencing the Intention to Watch Online Video Advertising', *Cyberpsychology, Behavior, and Social Networking*, 14(10):619-624. doi: 10.1089/cyber.2009.0305.
- Lee, Y.-K., Kim, S. Y., Chung, N., Ahn, K. and Lee, J.-W. (2016). 'When social media met commerce: A model of perceived customer value in group-buying', *Journal of Services Marketing*, 30(4):398-410.
- Lehaney, B. A. and Vinten, G. (1994). 'Methodology: An analysis of its meaning and use', *Work Study*, 43(3):5-8.
- Lekhanya, L. M. (2013). 'Cultural Influence on the diffusion and adoption of social media technologies by entrepreneurs in rural South Africa', *International Business & Economics Research Journal*, 12(12):1563-1574. doi 10.19030/iber.v12i12.8250
- Lewis, J. D. and Weigert, A. (1985). 'Trust as a social reality'. *Social Forces*, 63(4):-967-985.
- Li, C. (2014). 'A tale of two social networking sites: How the use of Facebook and Renren influences Chinese consumers' attitudes toward product packages with different cultural symbols', *Computers in Human Behavior*, 32:162-170. doi: 10.1016/j.chb.2013.12.004.
- Liang, T.-P., Ho, Y.-T., Li, Y.-W. and Turban, E. (2011). 'What Drives Social Commerce: The Role of Social Support and Relationship Quality', *International Journal of Electronic Commerce*, 16(2):69-90. doi: 10.2753/JEC1086-4415160204.
- Liang, T.-P. and Turban, E. (2011). 'Introduction to the special issue, social commerce: A research framework for social commerce', *International Journal of Electronic Commerce*, 16(2):5-14. doi: 10.2753/JEC1086-4415160201.
- Lin, X., Li, Y. and Wang, X. (2017). Social Commerce Research: Definition, Research Themes and the Trends. *International Journal of Information Management*, 37(3):190-201. doi: 10.1016/j.ijinfomgt.2016.06.006.
- Liu, L., Cheung, C. M. K. and Lee, M. K. O. (2016). 'An empirical investigation of information sharing behavior on social commerce sites', *International Journal of Information Management*, 36(5):686-699. doi: 10.1016/j.ijinfomgt.2016.03.013.
- Lu, B., Fan, W. and Zhou, M. (2016). 'Social presence, trust, and social commerce purchase intention: An empirical research', *Computers in Human Behavior*, 56:225-237. doi: 10.1016/j.chb.2015.11.057.
- Malhotra, N. K. (2010). *Marketing research: An applied orientation*. 6<sup>th</sup> ed. Upper Saddle River, NJ: Pearson/Prentice Hall.
- Marr. B. (2018). *How Much Data Do We Create Every Day?* Available: <https://www.forbes.com/sites/bernardmarr/2018/05/21/how-much-data-do-we-create->

[every-day-the-mind-blowing-stats-everyone-should-read/#5ed5624f60ba](#) [Accessed 11 July 2018].

Mayer, R. C., Davis, J. H. and Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3):709-734.

McDaniel, C. J., and Gates, R. (2015). *Marketing Research*. 10<sup>th</sup> ed.

McKnight, D. H. and Chervany, N. L. (1996). 'The Meanings of Trust', *Proceedings of SPIE*, 3302:612:113-122. doi: 10.1117/12.304574. McKnight, D. H., Choudhury, V. and Kacmar, C. (2002). 'Developing and validating trust measures for e-commerce: An integrative typology'. *Information Systems Research*, 13(3):334-359.

Ng, C. S. P. (2013). 'Intention to purchase on social commerce websites across cultures: A cross-regional study', *Information and Management*, 50(8):609-620. doi: 10.1016/j.im.2013.08.002.

Park, H.S (2000). "Relationships among attitudes and subjective norms: Testing the theory of reasoned action across cultures." *Journal of Communication Studies*, 51(2):162-175

Park, J., Gunn, F. and Han, S. L. (2012). Multidimensional trust building in e-retailing: Cross-cultural differences in trust formation and implications for perceived risk. *Journal of Retailing and Consumer Services*, 19(3):304-312. doi: 10.1016/j.jretconser.2012.03.003.

Pavlou, P. and Chai, L. (2002). 'What Drives Electronic Commerce across Cultures? A Cross-Cultural Empirical Investigation of the Theory of Planned Behavior', *Journal of Electronic Commerce Research*, 3(4):240-253. doi: 10.1.1.144.1549.

Pavlou, P. A. and Gefen, D. (2004). 'Building effective online marketplaces with institution-based trust.' *Information Systems Research*, 15(1):37-59. doi: 10.1287/isre.1040.0015.

Poynter, R. (2010). *The Handbook of Online and Social Media Research: Tools and Techniques for Market Researchers*.

Rad, A. A. and Benyoucef, M. (2010). 'A Model for Understanding Social Commerce', *Information Systems Journal*, 4:1-11. doi:10.1093/jdh/11.3.235.

Refaat El Said, G. and Galal-Edeen, G. H. (2009). 'The role of culture in e-commerce use for the Egyptian consumers', *Business Process Management Journal*, 15(1):34-47. doi: 10.1108/14637150910931451.

Robbins, R. and Niederdeppe, J. (2015) 'Using the Integrative Model of Behavioral Prediction to Identify Promising Message Strategies to Promote Healthy Sleep Behavior Among College Students', *Health Communication*, 30(1):26-38. doi: 10.1080/10410236.2013.835215.

- Rousseau, D. M., Sitkin, S. B., Burt, R. S. and Camerer, C. (1998). 'Not so different after all: A cross-discipline view of trust', *Academy of Management Review*, 23(3):393-404. doi: 10.5465/AMR.1998.926617.
- Sabiote, C. M., Frías, D. M. and Castañeda, J. A. (2012). 'E-service quality as antecedent to e-satisfaction: The moderating effect of culture', *Online Information Review*, 36(2):157-174. doi: 10.1108/14684521211229011.
- Safa, N.S. and Von Solms, R. (2016). 'Customers repurchase intention formation in e-commerce', *South African Journal of information Management*, 18(1):712. doi: 10.4102/sajim.v18i1.712
- Schoorman, F. D., Mayer, R. C. and Davis, J. H. (2007). An integrative model of organizational trust: Past, present, and future. *Academy of Management Review*, 32(2):344-354.
- Shanmugam, M., Sun, S., Amidi, A., Khani, F. and Khani, F. (2016). 'The applications of social commerce constructs', *International Journal of Information Management*, 36(3):425-432. doi: 10.1016/j.ijinfomgt.2016.01.007.
- Shavitt, S., Lee, A. Y. and Torelli, C. J. (2008). 'Cross-cultural issues in consumer behavior', *Social Psychology of Consumer Behavior*, (May 2016):227-250. doi: 10.4324/9781441605283.
- Sheppard, B. H., Hartwick, J. and Warshaw, P. R. (1988). 'The Theory of Reasoned Action: A Meta-Analysis of Past Research with Recommendations for Modifications and Future Research', *Journal of Consumer Research*, 15(3):325. doi: 10.1086/209170.
- Shiau, W. L. and Luo, M. M. (2012). 'Factors affecting online group buying intention and satisfaction: A social exchange theory perspective', *Computers in Human Behavior*, 28(6):2431-2444. doi: 10.1016/j.chb.2012.07.030.
- Srite, M. and Karahanna, E. (2006). 'The role of espoused national cultural values in technology acceptance', *MIS Quarterly*, 30(3):679-704.
- Statistics South Africa. (2018). *Mid Population Estimates*. South Africa. Available: <http://www.statssa.gov.za/publications/P0302/P03022017.pdf> [Accessed 21 August 2018].
- Stephen, A. T. and Toubia, O. (2010). 'Deriving value from social commerce networks.' *Journal of Marketing Research*, 42(2):215-228.
- Suh, B. and Han, I. (2003). 'The impact of customer trust and perception of security control on acceptance of electronic commerce', *International Journal of Electronic Commerce*, 7(3):135-164.
- 'Nielsen Social Media Report 2016: A look at the social landscape', The Nielson Company pp. 1-26. Available:

<http://www.nielsen.com/us/en/insights/reports/2017/2016-nielsen-social-media-report.html> [Accessed 18 December 2017].

Triandis, H. C. (1995). *Individualism and collectivism*. Boulder, CO: Westview.

Venaik, S. and Brewer, P. (2013). 'Critical issues in the Hofstede and GLOBE National Culture Models', *International Marketing Review*, 30(5):474-479. doi: 10.1108/IMR-03-2013-0058.

Venaik, S. and Brewer, P. (2016). 'National culture dimensions: The perpetuation of cultural ignorance', *Management Learning*, 47(5):563-589. doi: 10.1177/1350507616629356.

Venkess, K 'WhatsApp Business App To Launch in SA' Fintech. <https://www.fin24.com/Tech/News/whatsapp-business-app-to-launch-in-sa-soon-20180122> [Accessed 04 December 2018]

Viljoen, K., Dube, L. and Murisi, T. (2016). 'Facebook versus Twitter: Which one is more credible in a South African context?', *South African Journal of Management*, 18(1):718. Doi 10.4102/sajim.v18i1.718.

Wang, Y. D. and Emurian, H. H. (2005) 'An overview of online trust: Concepts, elements, and implications', *Computers in Human Behavior*, 21(1):105-125. doi: 10.1016/j.chb.2003.11.008.

Wang, Y. and Yu, C. (2017). 'Social interaction-based consumer decision making model in social commerce: The role of word of mouth and observational learning', *International Journal of Information Management*, 37:179-189. doi: 10.1016/j.ijinfomgt.2015.11.005.

Wang, C. and Zhang, P. (2012). 'The evolution of social commerce: The people, management, technology, and information dimensions', *Communications of the Association for Information Systems*, 31(5):105-127.

Warner-Søderholm, G., Bertsch, A., Sawe, E., Lee, D., Wolfe, T., Meyer, J., Engel, J. and Fatilua, U. N. (2017). 'Who trusts social media?', *Computers in Human Behavior*, 81:303–315. doi: 10.1016/j.chb.2017.12.026.

Yadav, M. S., De Valck, K., Hennig-Thurau, T., Hoffman, D. L. and Spann, M. (2013). 'Social commerce: A contingency framework for assessing marketing potential', *Journal of Interactive Marketing*, 27(4):311-323.

Yang, H. and Woo, M. (2013). 'The effect of consumers' personal characteristics on attitude toward social commerce: Focused on the Theory of Reasoned Action', 11:71-76. doi: 10.13106/jds.2013.vol11.no11.71.

- Yeniyurt, S. and Townsend, J. (2003). 'Does culture explain acceptance of new products in a country? An empirical investigation', *International Marketing Review*, 20(4):377-396.
- Yoon, C. (2009). 'The effects of national culture values on consumer acceptance of e-commerce: Online shoppers in China', *Information & Management*, 46(5):294-301.
- Yoon, S. J. (2002). 'The antecedents and consequences of trust in online-purchase decisions', *Journal of Interactive Marketing*, 16(2):47-63.
- Yousafzai, S., Pallister, J. and Foxall, G. (2009). 'Multi-dimensional role of trust in Internet banking adoption', *The Service Industries Journal*, 29(5):591-605.
- Yusuf, A. S., Che Hussin, A. R. and Busalim, A. H. (2018). 'Influence of e-WOM engagement on consumer purchase intention in social commerce', *Journal of Services Marketing*, 32(4):493–504. doi: 10.1108/JSM-01-2017-0031.
- Zhang, K. Z. K. and Benyoucef, M. (2016). 'Consumer behavior in social commerce: A literature review', *Decision Support Systems*, (86):95-108. doi: 10.1016/j.dss.2016.04.001.
- Zhu, F. and Zhang, X. (2010). 'Impact of online consumer reviews on sales: The moderating role of product and consumer characteristics', *Journal of Marketing*, 74(2):133-148.

## APPENDIX A

# Does Culture influence trust in social commerce shopping behaviour - FINAL SURVEY

---

### Start of Block: Screening Questions

Dear Respondent

Thank you for your participation in this study about the influence of culture on trust in social commerce shopping behaviour.

This study has been approved by the Commerce Faculty Ethics in Research Committee. You will not be requested to supply any identifiable information, which will ensure complete anonymity of your responses. Access to confidential data will be restricted to the principal investigator and researchers directly involved in the research.

Participation in the study is voluntary and you may withdraw at any point. This survey rewards every individual who undertakes the study regardless of whether the survey is completed or not. Please use the voucher code `masters20` to receive 20% off HI-TEC products on the HI-TEC website. The voucher will be valid for 2 months from the release date of this survey. Please visit [www.hi-tec.co.za](http://www.hi-tec.co.za) to use your voucher.

This survey will take 5 minutes to complete. Should you have any questions or would like to access the findings please contact the researcher Joanne Esterhuizen [SYFjoa001@myuct.ac.za](mailto:SYFjoa001@myuct.ac.za)

Thank you very much for your time

---

## What is this survey about?

*When browsing on social networking sites (such as Facebook, Twitter, Instagram, Pinterest) you have probably noticed branded advertising ( either in the form of a service, product or company) which is displayed in your news feeds. If you click on one of these adverts it will direct you to the brand's e-commerce site where you can purchase the product or engage in the service/company. This is an example of social commerce. The survey is looking at how culture might influence our trust in social commerce.*

---

Q1 Do you own a social media account? (also referred to as a social networking site)

Yes (1)

No (2)

---

Q 1.2 Which social networking site do you spend most of your time on?

Facebook (1)

Instagram (2)

Twitter (3)

Pinterest (4)

---

This is an example of an advert you might see when browsing Facebook. We call this social commerce as the brand is advertising its products through social media and when clicked you are able to engage with it and potentially purchase it.

---



**Hi-Tec South-Africa**

Sponsored •



Adventure's never looked this good! **#AW18**  
Shop online and get FREE delivery on all orders over R500\*. \*T&Cs apply.

**MEN**

**HI-TEC**

MEN'S LIFESTYLE SHOE  
**Hi-Tec® Dylan**

SHOP NOW

**MEN**

MEN'S LEAT  
**Hi-Tec® .**

Q1.3 Have you ever clicked on an advert on social media before? ( whether it be movie tickets, or books, or clothing, or accessories)

Yes (1)

No (2)

*Skip To: End of Survey If Have you ever clicked on an advert on social media before? ( whether it be movie tickets, or book... = No*

---

Q1.4 Are you a South African citizen?

Yes (1)

No (2)

*Skip To: QID9 If Are you a South African citizen? = Yes*

---

If you have answered 'no' you are not required to continue the questionnaire. Thank you for your time.

*Skip To: End of Survey If If you have answered 'no' you are not required to continue the questionnaire. Thank you for your...() Is Displayed*

---

Page Break

---

*Social commerce is a sub set of e-commerce, which uses social media networks to facilitate in the buying and selling of branded products and services.*

---

Please answer the following questions which evaluate your attitudes and perception towards HI-TEC as a social commerce firm ie. a firm which advertises their products on social media. Please click on the response which you believe to be most reflective of your opinion to the statement.

	Strongly disagree (1)	Mostly disagree (2)	Somewhat disagree (3)	Neutral (4)	Somewhat agree (5)	Mostly Agree (6)	Strongly agree (7)
2.1 The social commerce firm is trustworthy (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.2 I trust this social commerce firm keeps my best interests in mind. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.3 This social commerce firm will keep its promises (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.4 I believe in the information this social commerce site provides (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.5 This social commerce firm wants to be known as a company that keeps its promises and commitments (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.1 I am likely to purchase products/services on this social commerce site (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.2 Given the opportunity, I would consider purchasing products on this social commerce site in the near future. (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3.3 It is likely I will actually purchase products on this social commerce site in the future (8)

3.4 Given the opportunity, I intend to purchase products on this social commerce site (9)

4.1 I would tell positive things about this social commerce firm (10)

4.2 I would provide others with information on this social commerce firm (12)

4.3 I am likely to recommend this social commerce firm to my friends or acquaintances (13)

4.4 I am likely to encourage others to consider this social commerce firm (14)

---

Page Break

The following section aims to evaluate your beliefs, emotions and behavior in certain contexts. Please choose the response which you believe to be most reflective of your opinion to the statement.

	Strongly disagree (1)	Mostly disagree (2)	Somewhat disagree (3)	Neutral (4)	Somewhat agree (5)	Mostly Agree (6)	Strongly agree (7)
5.1 Subordinates are afraid to express disagreement with their superiors. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.2 Subordinates should follow their superior's decisions unconditionally. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.3 Managers should make most decisions by themselves. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.4 Subordinates should not question their superior's decisions. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.1 Individual rewards are more important than group welfare. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.2 Individual success is more important than group success. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.3 Having autonomy and independence is more important than being accepted as a member of a group (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7.1 The fulfillment of tasks is more important than caring for others. (9)

7.2 A job with high earnings is better than a job with quality of life. (10)

7.3 A man should be strong and a woman should be tender (11)

8.1 When starting a new job, I fear doing it. (12)

8.2 I fear uncertainty about the future. (13)

8.3 I fear ambiguous situations and unfamiliar adventures. (14)

8.4 It is risky to do something that has never been done (15)

9.1 Would you describe yourself as a cautious individual? (16)

9.2 Do you have the will to see things through until the end in spite of fear, discouragement, or opposition?

(17)

9.3 I respect tradition and the fulfillment of social obligations (18)

9.4 I prefer to avoid embarrassment to protect my reputation and dignity (22)

---

Page Break

Please answer the next questions which are about yourself for statistical purposes

---

Q10 What is your Gender?

Male (1)

Female (2)

Prefer not to answer (3)

---

Q11 What is your age?

18-25 (1)

26-36 (2)

37-47 (3)

48-58 (4)

58+ (5)

---

Q12 What is your Race?

African (1)

White (2)

Coloured (3)

Indian (4)

Asian (5)

Prefer not to answer (6)

---

Q13 What is your highest level of education ?

- Some secondary/junior school (6)
  - Some High School (5)
  - Matric completed (1)
  - National diploma ( technicon) (2)
  - Bachelor degree (3)
  - Postgraduate degree ( honours, masters , PHD) (4)
- 

Q14 What is your current employment status?

- Student (1)
  - Employed (2)
  - Unemployed (3)
  - Retired (4)
-

Q15 Which province do you reside in?

- Gauteng (1)
  - Western Cape (2)
  - Eastern Cape (3)
  - Kwazulu Natal (4)
  - Free State (5)
  - Northern Cape (6)
  - Limpopo (7)
  - Mpumalanga (8)
  - Northwest (9)
-

Q16 Which gross salary monthly income bracket do you fit in?

- R1,000-R2,999 (1)
- R3,000-R5,999 (2)
- R6,000-R11,999 (3)
- R12,000-R19,999 (4)
- R20,000-R29,000 (5)
- R30,000- R49,000 (6)
- R50,000-R69,000 (7)
- R70,000 or more (8)
- Dependant/ no income (9)
- Prefer not to answer (10)

---

Thank you for your time and please feel free to contact the researcher should you have any further questions.

**End of Block: Screening Questions**

## **APPENDIX A :Rewording of the survey**

The LTO orientation statements were all reworded as they were academic and hard to understand. To help the respondents better answer the statements, they were reworded to give more shape and meaning to the statements – without changing the original statement.

Here is the original Statements relating to Long -Term Orientation

Statement 9.1: Thrift

Statement 9.2: Persistence or perseverance

Statement 3: Ordering relationships by status and observing this order

Statement 4: Having a sense of shame

## APPENDIX B

### Moderate Multiple Regression Assumptions

1. Linearity: There is a linear relationship between the dependent and independent variables.
2. Normality: Data is normally distributed
3. Multi-collinearity: There is little to no multi-collinearity present
4. Homoskedacity: There is homogeneity of variance
5. Independence: There is independence of data

#### Linearity

This assumption is met within all moderation models when testing for H2, H3 and H4 as each can be written in the form of a linear equation. Moreover, it is assumed that if the normality and homoskedacity assumption is met, there is linearity.

H2: Purchase intent =  $B_0 + B_1\text{Trust} + B_2\text{PDI} + B_3\text{Trust} \times \text{PDI}$

H3: Purchase intent =  $B_0 + B_1\text{Trust} + B_2\text{IDV} + B_3\text{Trust} \times \text{IDV}$

H4: Purchase intent =  $B_0 + B_1\text{Trust} + B_2\text{UAI} + B_3\text{Trust} \times \text{UAI}$

#### Normality

Normality can be tested by looking at histograms. Approximately 68% of the data should be within one standard deviation of the mean (the frequency should be higher in the middle of the typical bell curve and tail off on either end).

The plots below show that normality can be observed in the power distance, individualism and uncertainty avoidance construct. Thus, this assumption is met.

Figure 1: histogram for hypothesis test 2

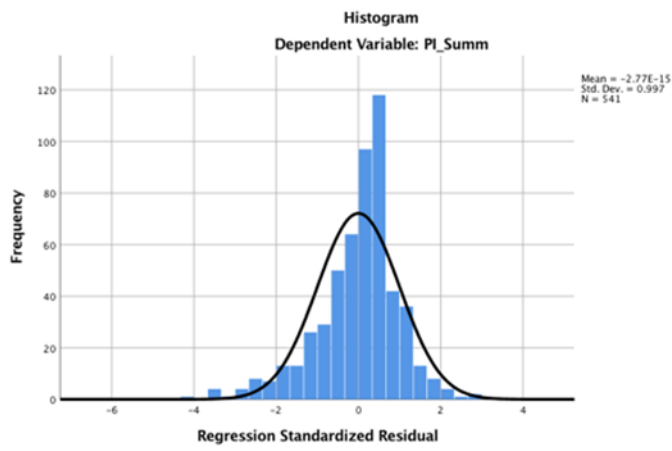


Figure 2: histogram for hypothesis test 3

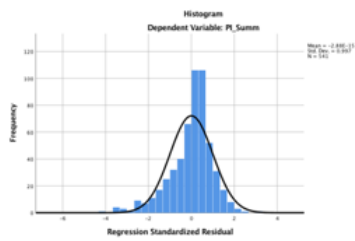
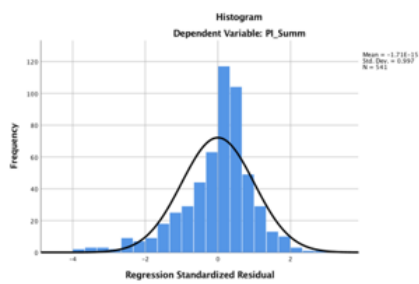


Figure 3: histogram for hypothesis test 4



### Multi-collinearity

In order to check the absence of multi-collinearity, the variance inflation factor (VIF) checked. Ideally it is a close to 1 and should be below 10 for each hypothesis tested. A VIF greater than 10 is indicative of multi-collinearity being present.

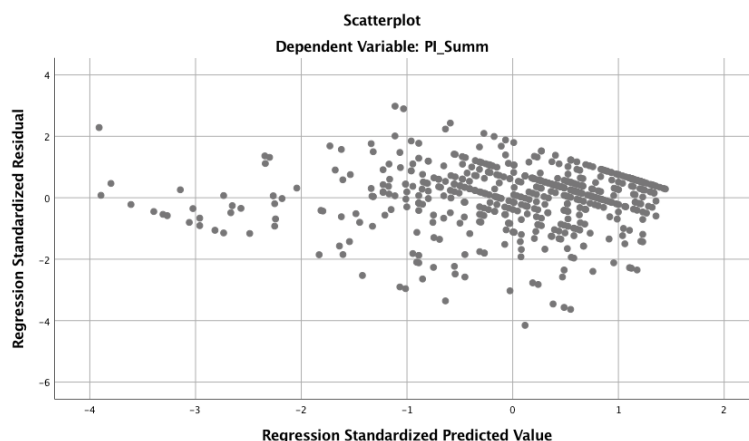
Constructs	Variance inflation factor
Trust	1.018
Power distance	1.136
Individualism	1.117
Uncertainty avoidance	1.039

From the table (above) it is seen that each construct displays a VIF close to 1 and below 10. Thus, multicollinearity is not apparent in the data and this assumption is met.

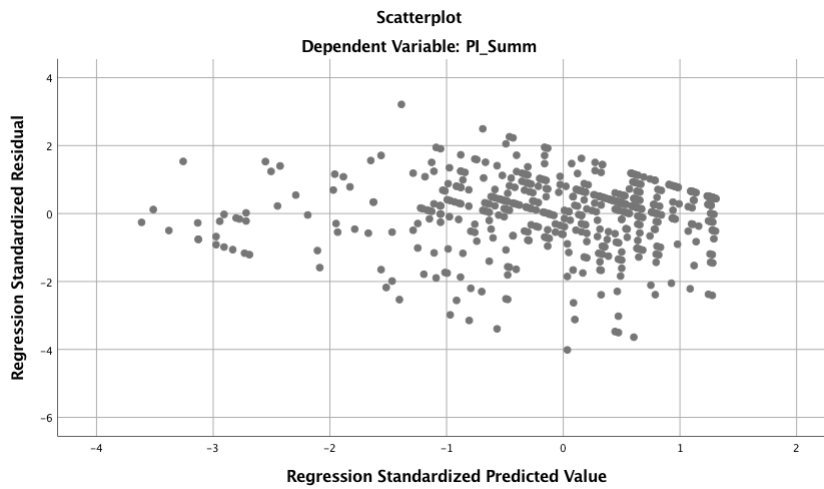
### Homoskedasticity

A scatter plot of the residuals can be used to test this assumption. For homogeneity in the variance to occur, all data points on the plot fall within a constant band.

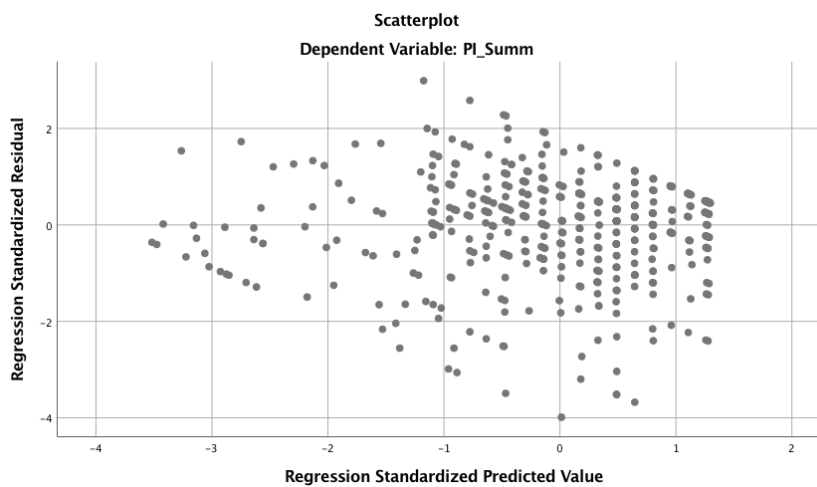
Scatterplot for hypothesis 2 (below) can be seen in the figure below. Residuals mostly fall within a constant band of (-4;4) and thus, homoskedacity can be seen and the assumption is met.



Scatterplot for hypothesis 3 (below) can be seen in the figure below. Residuals mostly fall within a constant band of (-4;4) and thus, homoskedacity can be seen and the assumption is met.



Scatterplot for hypothesis 4 (below) can be seen in the figure below. Residuals mostly fall within a constant band of (-4;2) and thus, homoskedacity can be seen and the assumption is met.



## Independence

If normality and homoskedacity assumptions are met, a linear relationship is observed.

Independence can furthermore be tested by using the Durbin-watson test. Independence is observed when the Durbin-Watson test statistic is close to 2. From the table below we observe a test statistic of 2.048, 2.045 and 2.044 for H2, H3 and H4 respectively and thus we can conclude independence of error term observations in the samples.

Hypothesis tests	Durbin-watson test statistic
H2	2.048
H3	2.045
H4	2.044

## **Linear Regression Assumptions**

### Normality

Normality test for Trust and Purchase Intent

H0: The data is normally distributed

A Kolmogorov-Smirnhov test will be used as the sample size exceeds 50 respondents.

From the table below it is seen, that we can reject the null hypothesis at the 5% level of significance with p-values 0,00 and 0,00 respectively for Trust and Purchase Intent. It is therefore concluded that the data for both Trust and Purchase Intent are not normal.

## Tests of Normality

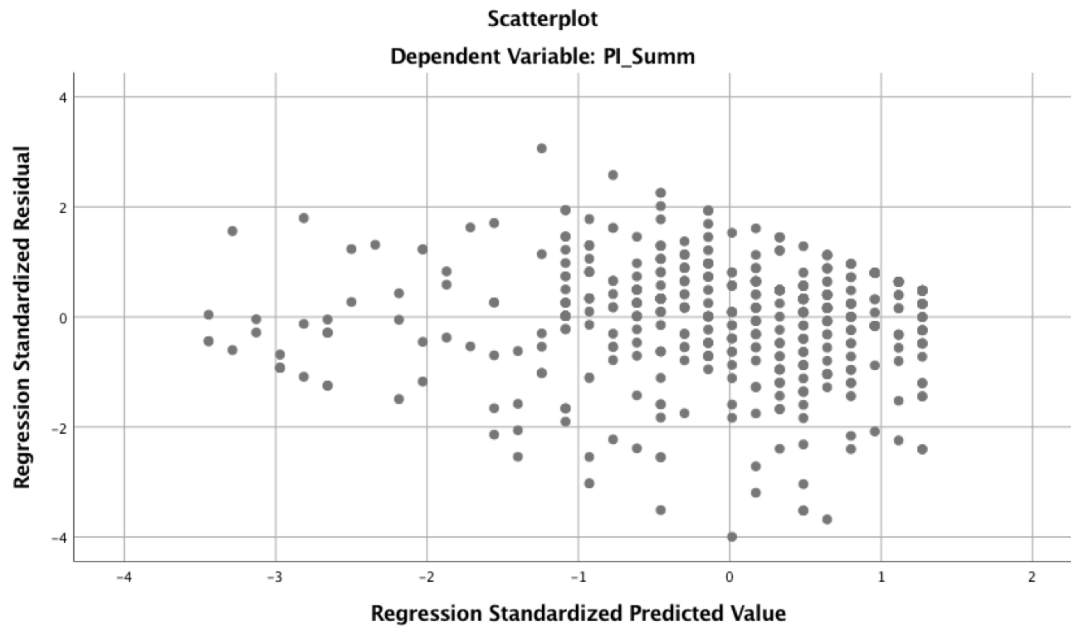
	Kolmogorov-Smirnov <sup>a</sup>		
	Statistic	df	Sig.
Trust_Summ	.115	541	.000
PI_Summ	.130	541	.000

To furthermore tests for normality, the skewness and kurtosis of Trust and Purchase Intent can be looked at. Skewness and kurtosis should fall in the interval (-2;2) for a normal distribution (George & Mallery, 2010) or (Norman & Streiner, 2008). From the table below it is seen that skewness and kurtosis fall within the desired region and thus the data is normally distributed and the assumption is met.

Construct	Skewness	Kurtosis
Trust	-1.098	1.272
Purchase Intent	-0.991	0.541

## Homoskedasticity

From the figure below homogeneity of variance can be observed as all observations fall within the interval (-4;4). Therefore this assumption is met.



### Linear relationship with independent observations (error terms)

If normality and homoskedasticity assumptions are met, a linear relationship is observed.

Independence can be tested by using the Durbin-watson test. Independence is observed when the durbin-watson test statistic is close to 2. From the table below we observe a test statistic of 2.04 and thus we can conclude independence of error term observations in the sample.

Hypothesis tests	Durbin-watson test statistic
H2	2.048
H3	2.045
H4	2.044

### Durbin-watson test statistic 2.04

Therefore, it is seen that all simple regression assumptions are met and the data is fit to be interpreted as a regression equation.

## Residual reporting

Data is normally distributed

H0: Data is normally distributed

H1: Data is not normally distributed

The null Hypothesis is rejected at the 5% level of significance with p-value 0.000 for both the trust and purchase intent scale.

### *Check skewness & kurtosis*

Purchase intent meets the requirements. Purchase Intent has skewness of -0.991 and kurtosis of 0.541.

Trust has a skewness of -1.098 and a kurtosis of 1.272 which falls within the bracket.

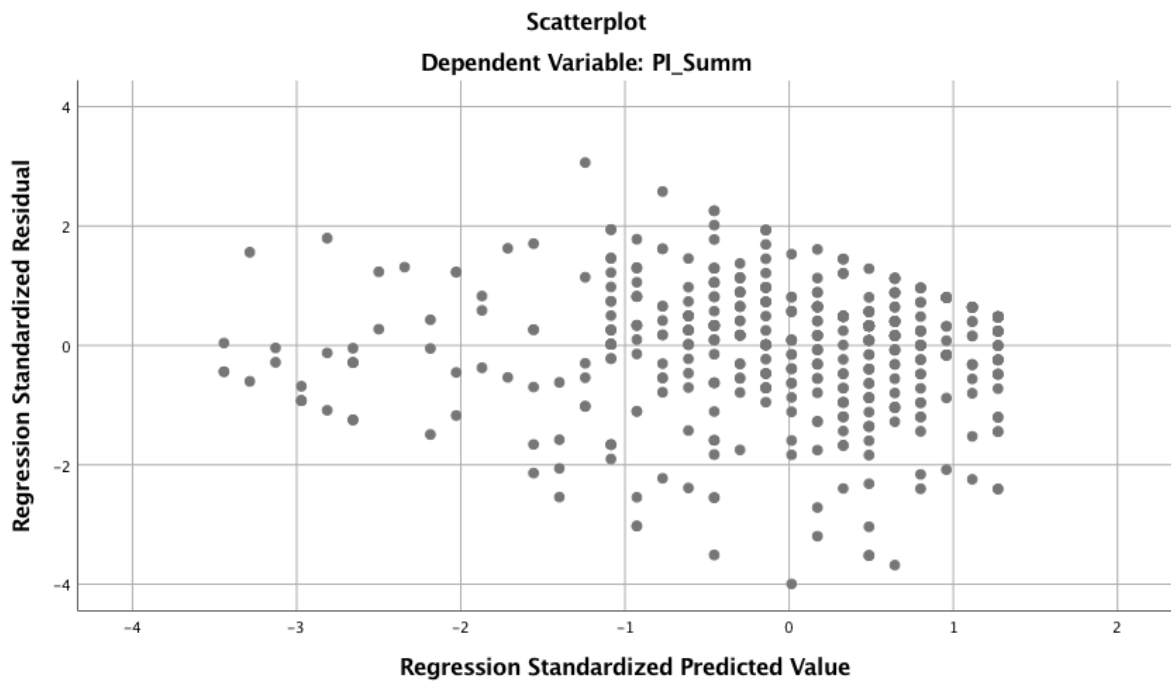
### Homoscedasticity

The scatter plot is also able to show homoscedasticity – that is, the variance around the regression line is the same for all values of the x/independent variables. This assumption is satisfied.

### Non-linearity

We assume that the relationship between the response variable and the predictors is linear.

The scatterplot shows that the data does not have an obvious pattern, there are points equally distributed above and below zero on the X axis, and to the left and right of zero on the Y axis.



**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.4577	6.5026	5.1414	1.06989	541
Residual	-4.15726	3.18804	.00000	1.03967	541
Std. Predicted Value	-3.443	1.272	.000	1.000	541
Std. Residual	-3.995	3.064	.000	.999	541

a. Dependent Variable: PI\_Summ

### Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Trust_Sum m	1.000	1.000

a. Dependent Variable: PI\_Summ

VIF should be close to 1 and less than 10 to show that there is no multi-collinearity in the model. Thus, these results suggests that there is none.

## 7.10 STATISTICAL THEORY RELATING TO NON-SIGNIFICANT MODERATION OUTCOMES

Interaction effects play a very important role in theory development, because they help researchers understand the situations in which variables change in their strength and direction. The moderated multiple regression (MMR) is used for estimating and interpreting these interaction effects (Aguinis and Gottfredson, 2010). The MMR is highlighted as the most popular approach for testing hypotheses with interaction effects. However, the results of the analysis are limited with low statistical power. Low statistical power is when the chances of population effects being detected are low. Aguinis and Goffredson (2010) outline 12 best practice recommendations pre- and post- data collection, to increase the statistical power that can substantially improve the detection of moderation.

### 7.8.1 Detecting low statistical power

To improve the chance of detecting existing moderators in the study, it would have been necessary to consider the design, measurement and analysis issues pertaining to low statistical power. Aguinis and Goffredson (2010) further argue that despite following best practice guidelines in the analysis chapter of the study, if no attention has been paid to design and measurement, moderation will likely not be detected. This study did not pay attention to low statistical power guidelines, and therefore the likelihood of being able to resolve low statistical power issues in the analysis are low. Therefore, future researchers should first check pre-data collection recommendations by Aguinis and Goffredson (2010) to ensure that low statistical power is removed – in order to provide the best chance of detecting moderation effects. In this study, it could be argued that an insignificant result does not mean

there is no effect in the population sample, but rather it could mean there is insufficient evidence in the dataset to conclude there is an effect in the population.

## APPENDIX C

---



### Faculty of Commerce

Private Bag X3, Rondebosch, 7701  
2.26 Leslie Commerce Building, Upper Campus  
Tel: +27 (0) 21 650 4375/ 5748 Fax: +27 (0) 21 650 4369  
E-mail: [com-faculty@uct.ac.za](mailto:com-faculty@uct.ac.za)  
Internet: [www.uct.ac.za](http://www.uct.ac.za)



@Commerce\_UCT



UCT Commerce Faculty Office

---

07/12/2017

Ms Joanne Esterhuizen  
School of Management Studies  
University of Cape Town

REF: REC2017/012/008

Dear Joanne Esterhuizen

**Project The impact of culture on trust formation and purchase intention in social commerce shopping behaviour.**

It is a pleasure to inform you that the EIRC has **formally approved** the above-mentioned study.

Approval is granted for the period of 12 months. Should you require an extension or make any substantial changes to the research methodology which could affect the experiences of participants, you must submit a revised protocol to the Committee for approval.

Please note that the ongoing ethical conduct of the study remains the responsibility of the principal investigator.

Your sincerely

Litha Tyulu  
Administrative Assistant  
University of Cape Town  
Commerce Faculty Office  
Room 2.26 | Leslie Commerce Building

Office Telephone: +27 (0)21 650 2695  
Office Fax: +27 (0)21 650 4369  
E-mail: [litha.tyulu@uct.ac.za](mailto:litha.tyulu@uct.ac.za)  
Website: [www.commerce.uct.ac.za](http://www.commerce.uct.ac.za)<<http://www.commerce.uct.ac.za/>

## APPENDIX D

---



To whom it may concern

HI-TEC SPORTS is well aware that our Marketing Director, Joanne Esterhuizen, is currently undertaking a Master's Degree in Marketing at the University of Cape Town.

We have given her full permission to access and use the HI-TEC Facebook page as part of her research as well as use the HI-TEC database to distribute her survey as participation in the survey voluntary and participants remain anonymous. It will also contribute to a better social commerce experience for HI-TEC consumers.

We also approve that all respondents that complete the survey will receive a 15% voucher off FULL RSP products on our e-commerce site

The results of Joanne's research topic '*How Culture moderates the relationship between trust and purchase intention in social commerce shopping behaviour*' will benefit the organization immensely through understanding how different cultures value trust and how HI-TEC can strengthen trust in the social commerce environment.

Please contact me for further information

Kind Regards

A handwritten signature in black ink, appearing to read 'Mallett', with the date '6 10 17' written below it.

6 10 17

CEO

MICKEY MALLETT