

INVESTIGATING THE FACTORS THAT DRIVE SOCIAL COMMERCE PURCHASE INTENTION AMONGST MILLENNIALS IN SOUTH AFRICA



by

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PLAGIARISM DECLARATION

Declaration

I declare that the dissertation hereby handed in for qualification of Masters of Business Sciences in Marketing at the University of Cape Town, is my own work and was cited accordingly, using the Harvard and that I have not submitted the same work in/ at another faculty or University.

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ABSTRACT

Social media has become fundamental to companies, as well as consumers. Its existence has produced new opportunities and introduced options like ‘social commerce’ whereby consumers and firms can sell goods and services on social media platforms. Due to the evolution of marketing from 1.0 to 4.0, there has been limited research about marketing 4.0 within social commerce. The current study aimed to assess marketing 4.0 dimensions and social commerce characteristics that have been under-studied - particularly how they affect millennial's purchase intentions in social commerce. A sample of 261 millennials was received from two different provinces Western Cape and Gauteng. The findings revealed that platform reputation, reviews, ratings, and product differentiation enhance trust and price. Moreover, trust shows no influence on purchase intention – and nor did brand image, brand integrity and brand identity. Findings from this study indicate that product differentiation, reviews and ratings, and platform reputation are the underlying reasons for trust and brand image are drivers of social commerce purchase intention. Thus, managers need to listen to consumers and produce individualised products to ensure unique and well differentiated offerings. Marketing practitioners should rather focus on using reputable social networks such as Facebook, Twitter and Instagram as key social commerce platforms for the purchase of products. Furthermore, as reviews and ratings are important for millennials, marketers should provide a good response to negative feedback. Lastly, managers in online communities should provide an excellent customer service as that will enhance customer service and lead to purchase intention.

Key words: Social commerce, Marketing 4.0, Social media, Social commerce characteristics, Electronic commerce, Millennial, Purchase intention

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DEDICATION

This study is dedicated to my late grandmother Nomhle Kiza (1936-2007) who was always there during my upbringing. Moreover, I dedicate this study to all those who love to learn.

ABBREVIATIONS

AVE	Average Variance Extracted
B2B	Business to Business
B2C	Business to Customer
BI	Brand image
BIDD	Brand identity
BINT	Brand interaction
BRI	Brand integrity
C2C	Customer to Customer
CA	Cronbach Alpha
E-commerce	Electronic commerce
E-WOM	Electronic Word of Mouth
HTMT	Heterotrait-Monotrait ratio of correlations
ICT	Information and communication technology
M-commerce	Mobile commerce
NFI	Normed Fit Index
PDD	Product differentiation
PFR	Platform reputation
PI	Purchase intention
PV	Price
RV	Reviews and rating
S-commerce	Social Commerce
SEM	Structural Equation Modelling
STDEV	Standard deviation
SRMR	Standardised Root-Mean Square Residual
StatsSA	Statistics South Africa
TRA	Theory of Reason Action
TRS	Trust

USA	United States of America
UTAUT	Unified Theory of Acceptance and Use of Technology
WOM	Word of Mouth

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1. INTRODUCTION

1.1. BACKGROUND

The arrival of social networks has considerably changed the way individuals do their shopping (Hajli, 2015). To some extent, shopping through social networks has minimised the time spent on brick-and-mortar shopping. In addition, main international brands have made their way to customers through social media platforms (Baldus, Voorhees & Calantone, 2015). According to Yahia, Al-neama and Kerbache (2018), this phenomenon has noticed a huge rise in the past couple of years – and Bianchi and Andrews (2012) have discovered that statistics from online retail buying continue to rise yearly in both the United States of America (USA) and Europe.

Smart Insights (2023) reveals that at least 61% of the global population makes use of social media platforms, with a usage rate daily of two and half hours. Moreover, the research indicates that 4.7 billion people globally are active social network users, with a growth of 237 million new users in the past 12 months (Smart Insights, 2023). Hajli (2015) further mentions that various social media channels have dominated the internet realm with one-third of the global population, and Duffett (2020) highlights that the number of internet users, social networks, video platforms, and other online communication channels has grown aggressively in emerging markets, such as South Africa.

South Africa has an increasing number of social network users. Social Media Stats (2023) shows that in 2019 there were roughly 25.79 million active social media users in the country; this was projected to grow to 26.61 million in 2025. In 2022, StatsSA (2023) noted that about 46% of the population (that is 28 million people) were active social network users; and that there were 41.19 million internet users in South Africa.

Social commerce is a subcategory of electronic commerce that encompasses social media, an online channel that promotes online engagements social and consumer contribution to facilitate online buying and selling (Hajli, Sims, Zadeh & Richard, 2017). Akman and Mishra (2018) describe it as an integration of social media and mobile money services for commercial purposes. Contrary to e-commerce which exclusively depends on organisation's catalogue and website, social commerce is the use of social networks in the situation of e-commerce connections (Kozinets, De Valck, Wojnicki, & Wilner, 2010). Therefore, social commerce is the outcome of social media popularity and e-commerce development.

Organisations and marketers who seek to be more competitive in the business sector need to comprehend and adopt social commerce within their firms. Noting that social networking was not part of people's lives a few decades ago, Duffett (2016) mentions that the increase in social networks has led to a transformation in social behaviour of at least one third of the world's population (Ortiz-Ospina, 2019). Social commerce has not only helped consumers with easy shopping channels but has also allowed individuals to sell on platforms such as Twitter, Facebook Marketplace and Instagram. Lai (2017) mentions that the success of organisations in social commerce is determined by its usage and organisations must study the drivers of individuals' intention to purchase on this arrival.

1.2. SOCIAL COMMERCE ACADEMIC CONTEXT

Social networks create a business value for organisations, especially through the existence of social commerce (Hajli & Shirazi, 2021). Bazi *et al.* (2022) suggests that it is fundamental for organisations to be visible in social media and to engage current and potential customers. Social commerce has gained the interest of scholars as it has introduced new sharing commerce where customers utilise these channels to perform consumer-to-consumer business, doing business through selling and sharing of products (Hajli, 2019). According to Hajli and Shirazi (2021), s-commerce is a central foundation of sharing, where individuals do business with other individuals, for example Uber, Airbnb. With social media's business potential, it has become important to understand how customers view these channels, particularly s-commerce (Hajli, 2019).

Scholars have affirmed that social commerce channels have a huge value for consumers businesses (Hajli, Papagiannidis, Zahay, & Richard, 2017; Hajli, 2015; Lin, Wang, & Hajli, 2019; Hajli, & Tajvidi, 2019; Bazi *et al.* 2022). Although scholars have highlighted the contribution social commerce makes to both business and consumers, studies have confirmed that customers also had several concerns, such as information sharing, privacy and trust (Hajli, 2019; Nadeem, Juntunen, Hajli, & Tajvidi, 2019) – and privacy and trust have become a fundamental element of social commerce in social commerce channels (Hajli, & Featherman, 2020; Hajli, 2020; Nadeem et al., 2018). As result, studying social commerce in more detail is important, particularly when exploring crucial issues such as trust and privacy and its influence on behavioural intention (Hajli & Shirazi, 2019).

Social commerce as a new field is booming and rapidly increasing and has attracted the attention of researchers and professionals, particularly because of its modern profit making establishments (Hajli, 2019). Moreover, “social commerce has transformed the information gathering and processing that consumer’s experience” (Hajli, 2019). Social commerce has gained more attention from scholars as it allows users to share information and experiences with their friends (Lin *et al.*, 2019). According to Hajli (2019), social commerce provides extensive advantages that are enhancing social commerce phenomenon. As a result, exploring and analyzing the behaviour of consumers in social commerce is fundamental in the information systems and marketing spectrum (Yan *et al.*, 2015).

1.3. MARKETING EVOLUTION: FROM MARKETING 1.0 TO MARKETING 4.0.

During the past fifty years, marketing has advanced through three phases: marketing 1.0, marketing 2.0, marketing 3.0 and now marketing 4.0 (2020). Furthermore, many firms have adopted marketing 4.0 over the last ten years, especially through modern technology and social networks. Malik (2020) asserts that in the early 1950’s, the manufacturing sector was the main focus of developed markets, and marketing was perceived as a way one function of supporting production and finance, and this was known as marketing 1.0. Jara *et al.* (2012) mention that marketing 1.0 was a product-centric marketing aimed at convincing buyers to increase sales. In the 1980, the business market discovered a need to understand its consumers through market research and marketing campaigns and came up with a customer-centric approach to marketing, also known as marketing 2.0. Furthermore, Kotler *et al.* (2010) identified a human-centric age, where the company values drive its marketing. During this era, consumers are treated as humans who can be creative, exhaustive and anxious (Malik, 2020). Finally, in 2016, Kotler *et al.* identified a marketing 4.0 theory; during this age, consumers are seen as individuals who can interact with the company brand and come up with ideas of what their required products and services would look like.

1.4 PROBLEM STATEMENT

A review of current literature indicates that numerous studies have been performed in an attempt to identify factors that influence purchase behaviour through social commerce (Kim & Park, 2013; Hajli, 2014a; Lai, 2017; Hajli, 2015; Yusuf, Hussin, & Busalim, 2018; Yahia *et al.*, 2018).

Kim and Park (2013) explored the impact of different features of s-commerce on trust and that of trust performance on electronic word of mouth and purchase intention. The study included factors such as size, reputation, information quality, communication, transaction safety, economic feasibility, word of mouth (WOM), and referrals. The results revealed that, except for economic feasibility, all social commerce features had a significant influence on trust and trust performance - and trust had a significant influence on purchase intent and WOM intention. Hajli (2014a) examined the effect of social networks on consumers' purchase intentions; the author built a multidisciplinary model from the technology adoption model on trust and social networks. The research found that social interaction affects trust and trust leads to purchase intention. Lastly, perceived usefulness was found to be a contributing construct (Hajli, 2014a).

In 2015, Hajli followed up an earlier study by investigating social commerce variables on customers' purchase intent. The author tested variables such as recommendations and referrals, ratings and reviews and forums and communities as social commerce constructs and measured how they influence trust and purchase intention; trust was also tested against purchase intention. In their research on social commerce purchase intention, Lai (2017) discovered that information support, community commitment, trust, ease of use, quality of website, and service quality all significantly positively influence purchase intention. Additionally, Yusuf, Hussin and Busalim (2018) looked into the effect of e-WOM on social commerce purchase intent. The authors measured factors such as quality of e-WOM, credibility of e-WOM, website of quality, buyer innovativeness, attitudes and social support, attitudes and e-WOM engagements was used as a mediating factor to purchase intention.

Yahia *et al.* (2018) studied the effect of social commerce characteristics – namely trust, social support, and perceived usage on social commerce (Instagram) purchase intention. The study found that price and reputation have the greatest relationship with trust, leading to consumer purchase intention. In agreement with existing literature, their study reveals that facilitating conditions, ease of use, hedonic motives, and habits enhance purchase intent. From the existing literature, it is evident that various factors influence social commerce purchase behaviour. Given the validity and

robustness of some of these studies, it is prudent that the current study further develops and adds to this growing field of literature, particularly characteristics such as price, product differentiation, reviews and ratings, as well as the social commerce platform reputation, as these are seen as crucial characteristics. On the other hand, trust has been well-documented as an important factor. What has been lacking is an exploration of the mediating role of trust against social commerce characteristics.

Kotler, Kartajaya and Setiawan (2016) established a theory of Marketing 4.0, which explains a shift between traditional marketing and online commerce. The authors elucidate that, in this growing online business environment, firms must be more styled and flexible to adapt to these changes. Suleman, Ali, Nusraningrum, and Ali (2020) explored the behaviour of consumers in the Marketing 4.0 era, assessing consumers' decisions about where to purchase. The authors adopted trust, risk, and attitudes to online shopping as mediators to purchasing decisions. Nevertheless, though the authors mentioned Marketing 4.0 in their study, they only adopted ease of use from the Technology Acceptance Model and trust and risk (Suleman *et al.*, 2019). Seemingly, the study didn't investigate Marketing 4.0 dimensions such as brand integrity, brand identity, brand image, or brand interaction.

In 2021, Dash, Kiefer and Paul (2021) wrote a unique study evaluating variables of Marketing 4.0 - on how they influence purchase intention and customer satisfaction of millennials within the real estate sector in India. According to Dash *et al.* (2021), the Marketing 4.0 theory has been understudied and would be a worthwhile area for future research. Therefore, it would be important to assess how Marketing 4.0 would affect purchase intention within a social commerce setting in both emerging and developed markets.

After the review was conducted on social commerce studies, a knowledge gap was identified. First, these studies are largely conducted in developed markets, and the majority of them generalised the social commerce users, irrespective of their demographics. To add to that, previous research confirmed that demographic variables such as gender, income, education and age can serve as differentiating variables on customer's buying intent (Duffett & Wakeham, 2014). Secondly, no research have been done in South Africa that aimed to study the influence of these variables within social commerce environment.

Furthermore, only inadequate research has been performed on social commerce phenomenon and its features on purchase intention in the literature (Li, 2019). Finally, no study has provided a

holistic conceptual model that integrates Marketing 4.0 and social commerce characteristics in the literature. Therefore, this opened a gap for a study to investigate these factors, using an integrated model of Marketing 4.0 and social commerce characteristics of South African millennials in South Africa.

The first gap identified by the author is that there is limited or no research that has been conducted in South Africa about s-commerce; the majority of studies having been conducted in South and North America, Asia, and Europe (Hajli, 2015; Hajli *et al.*, 2017; Yahia *et al.*, 2018; Dash *et al.*, 2021). Secondly, Kotler *et al.* (2016) proposed a Marketing 4.0 theory that promotes a move from traditional ways to more digitally aligned styles. Dash *et al.* (2021) conducted the first study assessing Kotler's model and found that only two dimensions of the theory are supported in social commerce purchase intent - and these two constructs showed no effect at all on purchase intent and customer satisfaction. Despite Marketing 4.0 being a recent entrant in the existing literature, Wanarko *et al.* (2022) conducted a study adopting all the components of the 4.0 theory. Their study showed that all the components (brand image, identity, interaction and integrity) have a strong influence on an individual's purchase intention and customer satisfaction. The inconsistency of the outcomes from these two existing studies needs further investigation.

Thirdly, while a variety of studies have investigated s-commerce characteristics in social commerce design, the visible characteristics are ratings and reviews, forums and communities, and recommendations and referrals (Hajli, 2015; Kim & Park, 2013; Liang, Ho & Turban, 2011; Chen & Shen, 2015; Hajli *et al.*, 2017; Jajvidi, Wang & Hajli, 2017; Wang and Zang, 2012). Yahia *et al.* (2018) introduced an extension of s-commerce characteristics with price, product differentiation, reviews and ratings, and platform reputation. These s-commerce characteristics have not been assessed thoroughly and the present study opens a gap for scholars to close. In social commerce literature, trust is a prominent variable and a dichotomous dimension that gives different outcomes when used with a different variable, such as new s-commerce characteristics of Yahia *et al.* (2018) and Kotler's Marketing 4.0 theory. Trust is always a challenge when doing business online, particularly from the consumer's side. Therefore, it is fundamental to test the mediating effect of trust on the marketing 4.0 theory. In addition, the fundamental importance of multigroup analysis with social media commerce cannot be ignored as people from different regions meet on social media channels. Therefore, the study will further use two provinces of South Africa (Western Cape and Gauteng) to test the differences in whether there are any major differences in terms of their

social commerce behaviour. The last gap identified was the inconsistency of the description of social commerce, as other authors refer to social media marketing and traditional e-commerce as a type of social commerce. However, the scope of social commerce for this is evident and clear.

1.5 PURPOSE OF THE STUDY AND RESEARCH QUESTIONS

The purpose of this study is to investigate the factors that drive social commerce purchase intention amongst millennials in South Africa.

Research questions

The main research question for this study is the following:

- What drives social commerce purchase intention amongst millennials in South Africa?

The following, are secondary research questions for this study:

- What effect does trust have on social commerce purchase intention amongst millennials?
- To what extent do social commerce characteristics – such as price, product differentiation, the reputation of the platform, ratings, and reviews – affect the trust of millennials in social commerce?
- To what degree do Marketing 4.0 dimensions – namely, brand image, brand interaction, brand identity and brand integrity affect millennial purchase intention in social commerce?
- To what extent does the Western Cape province differ with the Gauteng province in terms of Social commerce behaviour

1.6 RESEARCH OBJECTIVES

The main objective of this study is to study how social commerce characteristics influence trust and purchase intention through social commerce amongst millennials in South Africa. The following, are secondary research objectives:

- To investigate the effect of trust on the purchase intention of millennials in social commerce.
- To examine the influence of social commerce features - such as price, product differentiation, ratings, and reviews – and how these affect trust amongst millennials in social commerce.

- To examine the influence of brand image, brand identity, brand integrity, and brand interaction on the purchase intention of millennials in social commerce.
- To compare whether the study variables differ between Gauteng and Western Cape provinces.

1.7 CONTRIBUTION OF THE STUDY

The study is important as it provides marketers and researchers with a holistic model of social commerce and adds to the literature in a number of ways. The study addresses demographic differences in social commerce behaviours. Furthermore, as advised by Yahia *et al.* (2018), the study provides a different view using a different social network (Facebook) and a single target market – which, in this case, is millennials. Secondly, the study provides insight into the factors that influence the purchase intention of millennials in a social commerce setting from a South African perspective. Moreover, as a result of Marketing 4.0 which has been under-studied, Dash *et al.* (2021) establish the first evaluation of Marketing 4.0 dimensions using social commerce development.

The study contributes to understanding millennial social commerce behaviour in South Africa. This is because the millennial generation group is fundamental to companies and brands because of their current and future purchasing power (Kim, 2018). Therefore, The literature review conducted in this study adds to the understanding of social commerce and the millennial segment and their behaviour.

According to Wakeham (2020), millennials (also known as Generation Y) are more technologically equipped than previous generations, since they spent the majority of their lives in an online environment, with new developments such as mobile devices, computers, social media, internet, and other channels of information and communication technology (ICT). Moreover, the millennial cohort is a technologically informed group with posting, viewing online videos, texting, tweeting, engaging in online social networking, instant messaging and e-commerce buying tendencies. To them, technology is an innovation and an important part of their daily routines (Zhang *et al.*, 2017; Padayachee, 2017). Lastly, the proposed model serves as a foundation for future research.

1.8 SOPE

The study was aimed at investigating the factors that drive social commerce purchase intention amongst the millennials in South Africa, particularly those who were born between 1980 and 1999. The constructs that were tested are price, product differentiation, reviews and ratings, platform reputation, brand interaction, brand image, brand identity, brand integrity, trust and purchase intention. The study focused on Gauteng and Western Cape provinces in South Africa and the Facebook Marketplace was chosen as the platform of interest for the study.

1.9 DISSERTATION STRUCTURE

Chapter 1 Introduction: The first chapter presents an introduction, academic lens, problem statement, research purpose, study objectives and questions, contribution of the study and the scope of the research.

Chapter 2 Literature Review: This chapter explains an overview of e-commerce and e-commerce categories, benefits, and barriers. In addition, social media and social commerce are defined, and its categories, benefits and characteristics are explained. The millennial segment in South Africa is discussed, and an empirical review is performed. Previous studies, the millennial market segment, and Marketing 4.0 dimensions are explained. Lastly, theories associated with social commerce and new technologies are explained.

Chapter 3 Research Methodology: This chapter presents the paradigm of the research, design, instruments, population, sampling technique, data collection and data analysis.

Chapter 4 Presentation of results: The results of the questionnaire from two provinces (Gauteng and the Western Cape) and the demographics of respondents are presented in this chapter. Thereafter it provides validity and reliability, hypotheses testing, mediation effects and multi-group analysis.

Chapter 5 Discussion of the results: This chapter start with an introduction, followed by a discussion of all the hypotheses tested in Chapter 4. Results are discussed against the previous research.

Chapter 6 Conclusion and recommendation: The conclusion and recommendations for each hypothesis of the study are presented in this chapter. Thereafter, managerial and theoretical implications are discussed and the limitations and direction for future studies are provided.

1.10 CONCLUSION

The main aim of this chapter was to introduce the nature of this study. It provided a brief introduction and background, followed by the marketing evolution, problem statement, research purpose, questions, and objectives. The justification of the study and scope were then highlighted – and lastly, the structure of the dissertation was outlined.

2 LITERATURE REVIEW

2.1 INTRODUCTION

This chapter provides an understanding of electronic commerce, social media and social commerce. It includes a summary of existing studies about social commerce, followed by a discussion of the characteristics of millennials in South Africa as a targeted segment. Previous studies and related theoretical frameworks for social commerce adoption are then explained and, lastly, a conceptual model for this study is developed, followed by hypotheses.

2.2 OVERVIEW OF ELECTRONIC COMMERCE (E-COMMERCE)

Electronic commerce has developed quickly (Aslam, Ham, & Farhat, 2018) – as a result, StatsSA (2018) anticipated that the world of online retail would reach US\$1435 billion by 2020. To understand the idea of e-commerce, one has to have an understanding of the wider term, e-business. According to Chaffey (2011), e-business is about making relationships and sharing information online, inside or outside the organisation. According to Tawfik and Albrecht (2008), it is about undertaking commercial activities that include connecting workers through the internet, information facilitation, knowledge sharing, and supporting post-purchase services. Moreover, e-business is a broader term that involves both mobile commerce (m-commerce) and electronic commerce (e-commerce) (Tawfik & Albrecht, 2008). In some studies, the term e-business and e-commerce are used interchangeably, while other scholars maintain that they do not mean the same thing.

Over the past 20 years, e-commerce has been of high interest to consumers, organisations and researchers. Various developments and contributions to the literature have resulted in many definitions of e-commerce. For example, Qin, Chang, Li and Li (2014) suggest that is the process that enables the users to use online channels to do business and other commercial activities. Alternatively, Jackson (2015) highlights that e-commerce is referred to as doing monetary transactions over the internet, web or mobile application to exchange goods and services. Helal (2017) describe it as transferring money or data for purchased products and services over an electronic platform, mostly the internet. Seemingly, authors of previous studies agree on the explanation of e-commerce development - namely that it is about executing multiple commercial activities on electronic platforms - but they differ on what it entails. In summary, electronic

commerce is a method or process of performing commercial transactions using the internet, business websites, and catalogs to enhance the selling of goods and services.

As e-commerce developed, new expansions such as social commerce and mobile commerce materialised. Laudon and Traver (2015) described social commerce as being about the execution of selling products and services on social media - while mobile commerce is the usage of cell phones to perform business activities.

Table 1: A summary of electronic commerce categories

Social commerce type	Definition	Examples
Business to Business (B2B)	The first type is Business to Consumers (B2C); in this category, customers visit online channels and shop on the web.	Alibaba Amazon E-bay Shopify
Business to Consumers (B2C)	It is whereby trading activities are conducted on the web between organisations.	Alibaba Amazon
Customers to Customers (C2C)	Customers to Customers (C2C) includes transactions between consumers and a web channel (Schneider, 2014).	Gumtree Takealot OLX

Author's own (2023)

2.2.1 E-commerce benefits

Like any form of ICT, e-commerce has advantages and barriers. Rose, Hair and Clark (2011) argue that electronic commerce is advantageous for customers because it provides them with a buying experience that is not time-consuming; shoppers can buy the products they need at convenient locations with no time boundaries (Jiang, Jun, & Yang, 2015). To, Liao and Lin (2007) mention product information that e-commerce provides as one of the advantages of this development. E-commerce grants potential buyers access to compare services or goods on the web of the company which gives them a variety of options to choose from without actually visiting the shop (Olatokun & Kebonye, 2010); this saves time, energy, and the cost of going to the store (Adeyemi, 2013).

Rose *et al.* (2011) attest that this business type assists organisations with modern marketing strategies and selling platforms that can reach customers globally. Though electronic commerce is being slowly replaced by social commerce, several authors mentioned many advantages that will not be included in this literature (Hajli *et al.*, 2017; Adeyemi, 2013; Helal, 2017; Hajli, 2015). In addition, those using e-commerce save on expensive advertising of traditional marketing like newspapers, television, and radio advertising (Helal, 2017). It has been proven that when business transactions are conducted online, businesses reduce expenditure in all departments as this method can be used by anyone at a relatively low cost (White, Afolayang and Plant 2014). Furthermore, e-commerce improves the business chain by reducing paperwork, which leads to a reduction in costs (Helal, 2017).

There is little doubt that both customers and businesses have benefited substantially from e-commerce. Turban *et al.* (2015) postulate that e-commerce businesses allow companies to speed up time internally and outside the business, which produces a competitive advantage over other businesses of a similar type. In addition, internet businesses offer better customer service than vendors in brick and mortar premises, as seen in reviews and ratings of online businesses. Growing brand awareness, product information sharing, web presence, affirmation of brand identity, and brand image are some of the advantages that cannot be overlooked (Helaal, 2017). One of the important advantages of e-commerce is that it enhances good communication between buyers and sellers, which leads to strong customer relationships and customer retaining (Turban *et al.*, 2015; Helal, 2017).

2.2.2 Barriers and disadvantages of e-commerce

While it is important to analyse and calculate risks before embarking on a type of business, no business mode is without limitations. Forsythe, Shannon and Gardner (2006) classify e-commerce risks into three: product risks, financial risks, and time and accessibility risks. Product risks have got to do with incorrect product features and benefits; financial risks are to do with customers not trusting a vendor with transacting their money through online channels; and time or accessibility risks include unreliable websites, long delivery times, and other challenges of that nature. Cybercrime is a major limitation for both firms and customers (Helal, 2017).

Park, Kim and Funches (2012) also mention one of the most cited limitations of online businesses as not being able to provide a way for customers to fit, smell, touch, or even taste the product. Kim and Park (2013) and Hajli, Featherman and Wang (2014) posit that other customers are reluctant to use, and do not trust, e-businesses as they favour touching, smelling and seeing the product in person. Furthermore, the lack of human interaction is another obstacle in the e-commerce business channel, which can lead to a lack of customer satisfaction (Issa, 2014). Other barriers to e-commerce include the lack of electricity, lack of network connection, level of education, and lack of awareness. E-commerce barriers will never be fully explained (Helal, 2017; Luhach, Dwuveti & Jha, 2016).

While this research is not about e-commerce but social commerce, a discussion of social commerce requires a brief background on electronic commerce. The following section will provide a brief outline of social media and the social commerce phenomenon.

2.3 OVERVIEW OF SOCIAL MEDIA

2.3.1 Global

Out of the 7.7 billion population, it is suggested that approximately 3.5 billion individuals are active internet users (Chima, & Emmanuel, 2022). While the internet was initially a cybernetic information-sharing platform, it has advanced to an online working information communication technology (ICT) space that enhances the social environment, and promotes social interactions and relations via social media (Zhang & Wang, 2012). Liang, Ho, Li and Turban. (2011) outline that the growth in social media usage has provided a growth in social commerce because of the rise and popularity of social network sites such as Twitter, Facebook, and LinkedIn. Likewise, the usage of social media has inhabited the internet space with about one third of the global population

in diverse social network channels (Chima, & Emmanuel, 2022). According to Ortiz-Ospina (2019), it has shifted the lives of about two thirds of the global population.

In 2004, the first social network reached 1 million users. Later, Facebook joined the market and took over being the network with the largest market share (Chima, & Emmanuel, 2020). In March 2023, Facebook had a market share of 61.21% followed by Instagram with 11.59%, Youtube with 8.88%, Twitter with 8.22%, Pinterest with 7.49% and Reddit with 0.82%. At a continental level, StatCounter (2023) reveals that Europe is the leading continent with 85.83% Facebook usage, followed by South America with 82.78%, Africa with 77.76%, and Asia with 66.06%. Hajli (2015) emphasises that social media establishment is one of the major softwares, with exclusive capacity to enhance visual socialisation as it provides people with a channel to meet and engage unrestricted numbers of friends while sharing and generating content through the network.

In addition, the use of social media continues to grow daily. It allows firms to communicate directly with their buyers and to generate positive opinions about goods and services (Budree, Lins & Fietkiewicz, 2019); it also provides businesses with an opportunity to make sales through using the platform (Lai & To, 2015). According to Ali, Abbass and Farid (2020), the Lebanese online commerce market, including social commerce, increased both in the number of online buyers and sales - while the report by Nordea (2019) indicated that in 2016, there were 2.3 million buyers who purchased online compared to 2.1 million buyers in 2015, indicating an annual growth of 9.5%.

2.3.2 South Africa

The extraordinary growth of interactive online technologies has affected the daily lives of youth over the past 20 years (Duffett, 2017) – and in the last ten years, the advancement of ICT has given people multiple communications platforms (Duffett, & Wakeham, 2016). Duffett and Wakeham (2016) add that while social media is an online communication platform used by friends, firms have used its benefits to reach billions of potential customers.

The emergence of social networks has affected the readership of newspapers and viewership of television advertising channels (Duffett, 2014) following internet access and changes in individuals' daily behaviour, particularly young adults (Duffett, 2017). According to the International Monetary Fund (2016), while the majority of African countries have been struggling to adopt digital commerce, given underdeveloped infrastructures, the integration of social media and mobile money software is serving as an alternative. In terms of social network usage such as Facebook, the data show that Africa has a larger market share than continents such as Asia

(StatCounter, 2020). This occurs because mobile money systems are accepted by low-income communities more than traditional banking systems because of convenience and ease of use (Qin *et al.*, 2014).

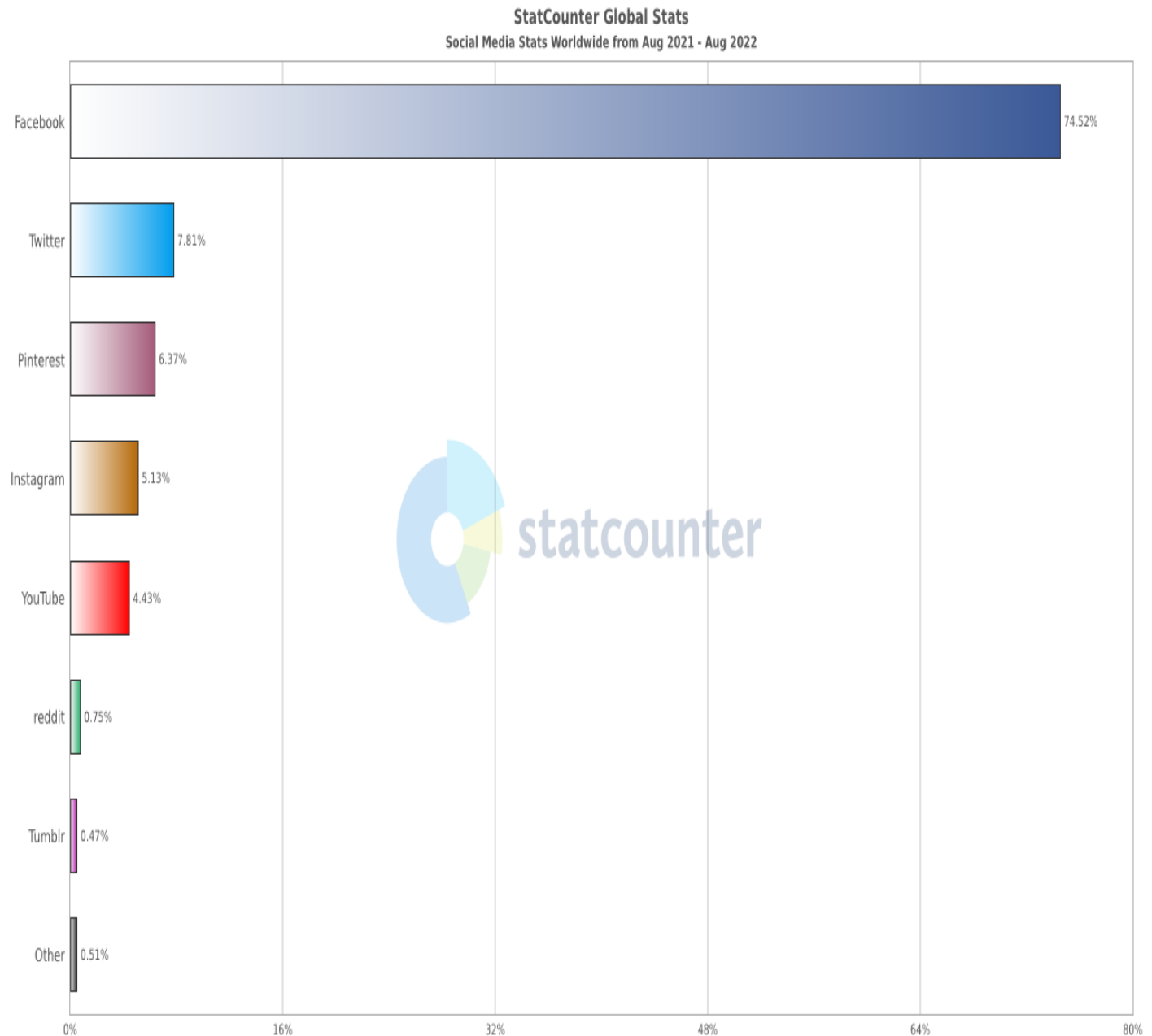


Figure 1 Social media market share (StatCounter, 2022)

These digital combinations provided an opportunity for users to conduct business on social media (known as social commerce) with the assistance of mobile money systems (Talat, Azar & Yousaf, 2013). Based on World Wide Worx (2022), 48% of the people in South Africa have access to Facebook, Tiktok, Twitter, and Instagram. In 2020 there were 25 million active social media users which increased by 14% (around 3 million) in 2021 to being 41.9% of the population. According to World Wide Worx (2022), in January 2021 there were 38.19 million (64% of the population), which indicated a 4.5% increase of 1.7 million from the previous year (2020).

While these social media statistics, adapted from reports from different institutions, present slightly different figures, it can be noted that both reports confirm that more than 40% of the population were using social media in South Africa in 2021.

2.4 OVERVIEW OF SOCIAL COMMERCE

In the past few years, the use of social media as a channel for promoting sales while building brand image has become important (Erdoğan & Tatar, 2015). As a result, some companies have moved on from only attracting and communicating with customers to creating sales and profits using social media (Wang & Zhang, 2012). Radish *et al.* (2022) mention that it provides customers with a good social environment through social interactions, especially during the Covid-19 period. According to Erdoğan and Tatar (2015), almost 40% of social network users bought a product after liking it on social media platform. Moreover, the increasing visibility of big brands on social networks confirms that the sites are growing in terms of social media commerce, which is defined as using social network connections and user devices to simplify buying and selling (Liang *et al.*, 2011). Aladwani (2017) declares that social commerce is one of the largest online business modes, with an estimated revenue of US\$90 billion in 2018.

Wang and Zhang (2012) state that social commerce was initiated by Yahoo in 2005 and rapidly became a channel to add value to business services by introducing customer interactions on company websites such as Coupon Group, eBay, and Amazon. Thereafter, in 2009 the first social commerce business was launched on Facebook by flowers.com (Busalim and Hussin, 2016). Hajli *et al.* (2017) affirm that Web 2.0 development is the major cause of the fast increase in social commerce. Additionally, Aya-Samnchez, Castro-Bonano and Gonzalez-Badia (2019) posit that the development of social platforms in e-commerce design has contributed to the enhancement of

social commerce. Kim and Park (2013), Hajli (2014b) and Han, Xu and Chen (2018) suggest that social commerce is a sub-development of electronic commerce.

As social commerce emerged, it became interesting to organisations, scholars and marketing professionals (Wang & Zhang, 2012; Lai 2017). As a result, the number of academic papers focussing on s-commerce have been growing since 2007, and several scholars have published research papers in various journals (Zhang & Wang, 2012; Hajli 2014 a&b; Hajli, 2015; Hajli *et al.*, 2017; Baethge, Klier & Klier, 2016; Han *et al.*, 2018; Yahia *et al.*, 2018; Liu *et al.*, 2019; Dash *et al.*, 2021).

In 2013 PricewaterhouseCoopers (2013) released a study that confirmed that in 2011, 5% of online and offline consumers made a purchase through social media. They further showed that from 2009 to 2013, the Chinese online consumer market adopted s-commerce faster than any other market, with 56% of online buyers purchasing goods through s-commerce (PricewaterhouseCoopers, 2013).

A social commerce synthesis has been conducted for this study to understand social commerce literature. The review aimed to understand how scholars define, categorise, describe, conceptualise and understand how different variables in social commerce design were used to ascertain the existing work, gaps, and future research in the field. To synthesise and gather social commerce literature for this study, scholarly papers published between 2006 and 2022 were reviewed.

Firstly, to ensure that relevant papers were not excluded from the literature as proposed by Han *et al.* (2018), several database searches were undertaken, which included Springer, Elsevier, Wiley, Google Scholar, EBSCOhost, Scopus, Science Direct, Xplore, ProQuest, Sage, Inderscience, EMERALD insight, IEEE. Digital libraries were searched to retrieve published articles during this social commerce era.

As suggested by Bandara *et al.* (2011), a keyword search was used to collect relevant articles for the study. Firstly, synonyms such as ‘social commerce’, ‘s-commerce’, ‘social shopping’ (Wang & Zhang, 2012) and ‘Facebook commerce’ or ‘F-commerce’ (Kumar, Novak & Tomkins, 2010) were used to gather articles that are relevant to the topic under review. Secondly, the study used a combination of words such as ‘social media’, ‘electronic commerce’, ‘social web’, and ‘social media buying’ to extend the search criteria (Baethge *et al.*, 2016). Thirdly, secondary keywords - such as ‘e-commerce’ and ‘social media’ - were also used.

According to Bandara (2011), the search with the primary keyword does not always lead to many articles of the topic under review. After downloading articles, some were eliminated based on their lack of relevance to the purpose of the study. The content of each article was evaluated by skimming themes, titles, abstracts, keywords, and content addressed to find those that were useful to address the question at hand (Baethge *et al.*, 2016; Han *et al.*, 2018).

The first section of the current synthesis briefly extends from Han *et al.* (2018) who conducted a review paper about the social commerce development using scholarly papers published between 2006 and 2017. The review paper conducted by Han *et al.* (2018) revealed that in 2006, only one social commerce article was published, and consecutively in 2007 and 2008 two papers were published then in 2010 ten articles appeared for that year and publications gradually increased each year until they reached 96 by the year 2017. (For detailed stats, see Figure 2). Furthermore, Han *et al.* (2018) included a table detailing the number of journals and fields in which each paper was published.

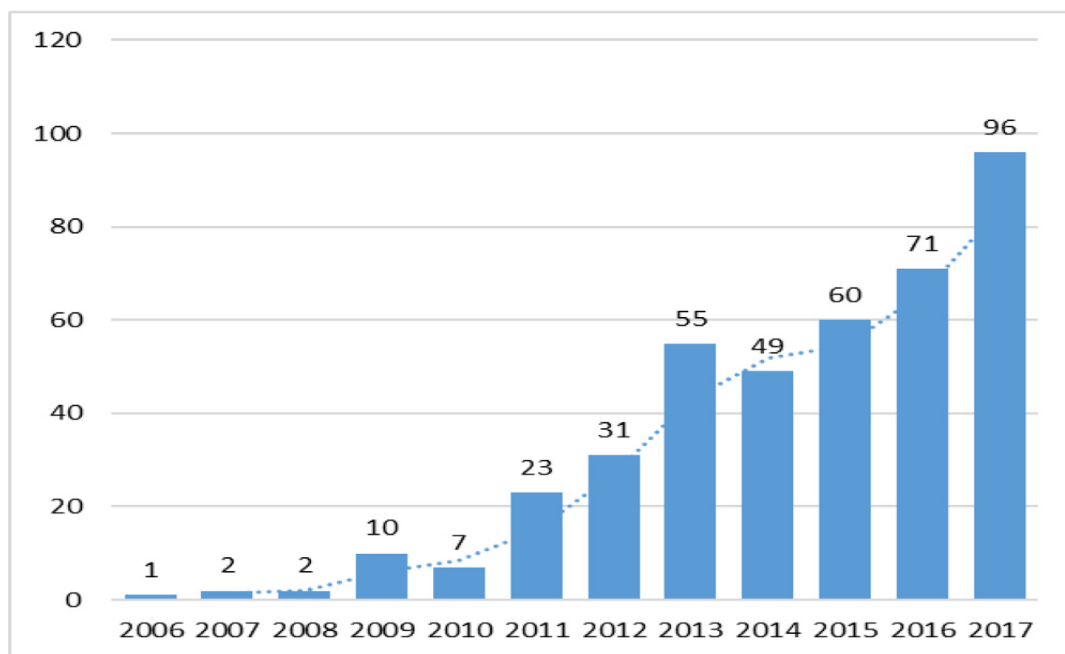


Figure 2: Social commerce publication trend from 2006 (Han *et al.*, 2018)

2.4.1 Defining social commerce

Social commerce is defined as the usage of Web 2.0 to enable consumer engagements in an online setting where information sharing and different contributions can help in purchasing products or services (Liang & Turban, 2011). According to Hajli (2015), social commerce is described as a business model that enables organisations to sell to customers from social network channels such as Instagram, Facebook Market and Twitter. Wang and Zhang (2012) define it as a business type that is facilitated by social networks that promote collaborations and customer contributions to support buying and selling, and can either be online and offline. Liang and Turban (2011) suggest that this phenomenon is a more participatory type of electronic commerce, where the role of the customer is more involved than ever before. Furthermore, the power of extended e-commerce features should be widely researched for the understanding of social commerce as diverse from electronic commerce (Erdoğan & Tatar, 2015).

This development allows buyers to give their opinions and share their buying experiences with prospective customers and organisations (Shanmugam, Sun, Amidi, Khani, & Khani, 2016), promoting consumer engagements without focusing only on pushing sales. Sanchez *et al.* (2019) describe it as a trend that has been empowered by the arrival of social networks, which provides consumers with online interactive platforms. Hajli (2014a) and Turban and Turban (2011) agree that it is a modern technology type that is built on e-commerce by adding social media, with the intention of conducting business transactions. In addition, Hajli (2015) posits that social commerce allows consumers to be content creators and supports users to be active information creators on the web.

Social commerce has been studied by many researchers, especially in developed countries (Hajli, 2015; Hajli *et al.*, 2017). There is very little contradiction between definitions of electronic commerce – and the majority of authors indicate that s-commerce is electronic commerce in the form of social network channels (Kang, & Park, 2009; Zhu, Dai & Zhang 2007; Liang *et al.*, 2011; Hajli 2015; Hajli *et al.*, 2017; Akman, & Mishra, 2018). Therefore, for this study, social commerce – or s-commerce – is defined as a method of buying and selling goods and services using one or more social network channels.

The following section provides a brief discussion of social commerce categories, benefits, challenges, and social commerce characteristics.

2.4.2 Social Commerce Categories

According to Liang and Turban (2011), social commerce can be classified in two categories. The first category is social media platforms that enable consumers to interact with their peers about products and services to share relevant information - for example Facebook, Twitter, LinkedIn, Instagram, WhatsApp, and others. Their second classification entails the usage of organisations' websites together with social advancements such as reviews, ratings, and forums (Amazon, Threadless and Ali Express).

In contrast, Liu *et al.* (2019) separate social commerce categories into indirect and direct types. The indirect type happens where companies make use of social media channels such as Instagram and Facebook pages in order to promote goods and to allow consumers to post and share information about products or services advertised. The direct social commerce type is where consumers utilise social media platforms to buy directly from social commerce sites; these sites encourage consumer engagement and social contributions during the buying process (Liu *et al.*, 2018). These platforms connect users to review, recommend, share, and rate their buying experiences.

On the other hand, Huang and Benyoucef (2013) state that there are two modes of s-commerce. The first mode is traditional electronic commerce which is a one-way interaction method between consumers and e-tailers - for example Amazon and Takealot. Their second category is based on the incorporation of social facets of e-commerce, and is a two-way customer-oriented platform. They include Facebook, Twitter, and Instagram and they can either be B2C or B2B.

Although social media buying and selling is growing, several studies have been conducted about social commerce. However, when evaluating the literature about social commerce types, it seems that authors retain different definitions of social commerce categories. It would be desirable for future research to thematically investigate social commerce terms as that is not the purpose of this research.

As this research is aimed at exploring the social commerce purchase intention of millennials in South Africa, Rashid *et al.* (2022) and Liu *et al.*'s (2019) second classification of social commerce will be the one considered here, which is direct social commerce i.e. buying of goods and services on social media sites. Furthermore, as this research will not be concerned about payment methods

that each consumer prefers, credit cards, EFTs, indirect transfers, and cash on delivery will all be considered as purchasing options.

2.4.3 Social Commerce Advantages

Social commerce advantages differ greatly from those of e-commerce (Helal, 2017). Ngai, Tao, and Moon (2015) indicate that s-commerce is flexible as it grants e-commerce sellers to make use of different features of social networks and also changes e-vendor platforms into a societal collaborative setting. This has occurred in a variety of ways, such as following websites, blogs, buyer reviews, engaging online forums, peer-generated content, viral marketing and videos. In s-commerce, buyers have an wide role in developing and marketing company services and products (Helal, 2017). Consequently, Stephen and Tobia (2010) suggest that social media delivers better buying service which provides advantage to businesses.

Furthermore, Lacka (2014) explains that small establishments utilise s-commerce channel because it is less expensive instrument to use within inadequate marketing budgets. Furthermore, Adamopoulos and Todri (2015) assert that it enables small businesses an opportunity to promote their services and products on social media platforms that already exist and viewed by millions of users such as Instagram , Twitter and Facebook.

In e-commerce, customers were contacted using email addresses and ‘contact us’ form (Griffiths & McLean, 2015) which usually takes longer. S-commerce, on the other hand, allows businesses easy ways to contact users such instant inbox features and commenting characteristics. (Chung, Animesh & Han, 2015). Sharing information in groups, artistic discussions by users and co-creation are also some of the advantages of social commerce (Ngai, *et al.*, 2015).

Customer involvement on social networks encourages a positive level of trust especially if all the customers are having mutual experiences. Businesses have benefited from consumers who share reviews about their experiences and share to other channels, which improves the marketing of businesses. In addition, Lacka (2014) suggests that social networks allow businesses to reach out, not only to the customers who talk positively about the company, but also to those with negative comments and bad experiences. Kucukemiroglu and Kara (2015) posit that even if customers post negative comments about the organisation, the marketers can still repond and say they will resolve the problems, to demonstrate that they do care about their customers. Previous research reveal that social network users expect the company to communicate with them and be able to provide all

types of support, particularly to respond to their questions (Canhoto & Clark, 2013). Thus, social commerce promotes communication between buyers and businesses.

2.4.4. Social Commerce Characteristics

There are some downsides to social commerce. As the usage of the internet and social networks by companies for social commerce is a recent development, only a few s-commerce vendors have managed to make revenues and profits out of it (Yahia *et al.*, 2018). Kaiser and Muller-Seitz (2013) emphasise that the absence of face-to-face relations has increased consumers' doubts about the truthfulness of vendors in online situations.

The fast trend of social media expansion has made it difficult for consumers, researchers and organisations to comprehend it. Hajli, Sims, Zadeh and Richard (2017) suggest that there is a lack of awareness of research on platform usage (features), particularly that is aimed at measuring purchasing intention on different social network platforms. Previous research on social commerce concentrated on trust, e-word of mouth, and social support and their role in social commerce (Liu *et al.*, 2019; Liang *et al.*, 2011; Hajli, 2014a, 2014b). Hajli (2015) examined social commerce constructs on purchase intention. They mention that ratings and reviews, forums and communities' recommendations and referrals are some of the most fundamental features of social commerce - with trust as a central part of s-commerce transactions.

Kim and Park (2013) declare that this development provides many features to share buying experiences, including tags, recommendations, ratings, reviews, and referral to purchase profiles of users. Based on a study by Chen, Xu and Whinston (2011), reviews and ratings are used by consumers to share their understanding of the product or service, and ratings are used to scale the product. Moreover, reviews and ratings provide a piece of complete knowledge to potential customers and viewers about the product or service (Hajli, 2015). There are a large number of features of social commerce platforms; these vary from author to author and can also be determined by the type of social media platform in which a business operates. The current study focuses on price, product differentiation, platform reputation, and reviews and ratings.

As social commerce concepts - such as rating reviews, communities and forums, and recommendations and referrals - have already been studied (Hajli, 2015; Kim and Park, 2013), the

present study represents Yahia *et al.*'s (2018) social commerce characteristics which include product differentiation, price, reviews and ratings, and platform reputation.

Lastly, Kotler *et al.*'s (2016) Marketing 4.0 which explains a “*shift from traditional marketing ways to more digital styles*” includes four elements of branding that are fundamental in the digital era and yet are still not sufficiently studied (Dash *et al.*, 2021). This study includes Marketing 4.0 constructs which are brand image, brand identity, integrity, and interaction.

The next section provides a discussion of the Evolution Marketing 4.0 theory.

2.5 MARKETING EVOLUTION: TRADITIONAL TO NEW AGE (DIGITAL MARKETING)



Figure 3: Marketing Evolution: Traditional to New Age (Digital Marketing) (Scorich, 2022)

With the introduction of new technology and social networks, the business environment has taken a new direction (Erragcha & Romdhane, 2014). Erragcha and Romdhane (2014) posit that these new developments directly affected the traditional marketing model where there was a need to revisit marketing concepts and marketing tools. Kotler *et al.* (2011) proposed the advancement of Marketing 3.0 which explains how marketing changed from product-centered marketing (1.0) to consumer-centered marketing (2.0) and shifted to a human-focused approach (3.0).

In 2014, expanded Marketing 3.0 theory with an additional concept of brand interaction produced Marketing 4.0 theory.

2.5.1 Marketing 1.0

According to Jara, Parra and Skarmeta (2012), the first phase of marketing began during the industrial period when marketing focused on vending goods and services without thinking about or accommodating customer needs (Jara *et al.*, 2012). Marketing at that time was focused on product design and brand and was more about advertising a product to increase sales of the company. This approach was more product focused and is called Marketing 1.0 theory. It used one-way communication in channels such as newspapers, radio, email, and television (Erragcha & Romdhane, 2014).

2.5.2 Marketing 2.0

As the business market developed, phase two of marketing came into existence, which allowed customers to choose their preferred products from a variety of displayed products (Jara *et al.*, 2012). In addition, this marketing age was accompanied by extensive research about the needs and wants of customers, to determine new business markets (Jara *et al.*, 2012). Because of knowledge capabilities and the communication era, customers started to be aware of different products and were able to compare product values with those of competitors. Apart from receiving communication, this marketing approach was focused on customers and was named Marketing 2.0. It enables customers to participate actively in all marketing processes (Erragcha & Romdhane, 2014). In this period, organisations used the internet and traditional marketing methods such as TV and newspapers to promote their products (Tarabasz, 2013).

2.5.3 Marketing 3.0

Marketing 3.0 was defined by Kotler, Kartajaya and Setiawan (2011) as “*the human-centric era where the values are the drivers of the marketing*”. Businesses treated customers as human beings who have feelings and are concerned about the humanistic and social side of a brand, for example, corporate social responsibility and environmental impact (Jara *et al.*, 2012). Kotler *et al.* (2011) emphasise that Marketing 3.0, or the human-focused age, happens where sellers are treated as humans and strive to incorporate their emotions, minds, and souls with that of customers. Furthermore, in this marketing era, customers create demands that are aligned with their desires and this lead to more creative products than in the industrial era.

2.5.4 Marketing 4.0

Although Marketing 3.0 was seen as the ultimate stage where consumers needed products and services that were customised, Kotler, Kartajaya, & Setiawan (2016) introduced a further theory of marketing. According to Tas and Seker (2017), the shift from Marketing 3.0 to Marketing 4.0 was marked by the beginning of terms such as social media, digital marketing, corporate social investment, big data, and e-commerce. This generation must have started around 2010 and 2014. Marketing 4.0 enables both offline and online means of communication between marketers and customers (Guven, 2020) - and Deshmuck (2020) affirms that Marketing 4.0 is a marketing era that enables consumers and businesses to connect both online, and offline. In the digital sphere, online interactions alone are not enough. Though online interactions are fundamental for brands to adapt to changes in recent trends, their role currently is needed more than at any other time - and that is Marketing 4.0 theory (Kotler *et al.*, 2016). According to Jara *et al.* (2012), Marketing 4.0 is an extension of customer-centric marketing with a new element focused on brand interactions. Additionally, the Marketing 4.0 approach encourages a shift from the traditional marketing approach to reach consumers and build relationships with them (Kotler *et al.*, 2016). Social commerce development gave businesses a platform that enhances their communication and engagement with customers.

There is still further research that needs to be conducted about Marketing 4.0, particularly in social commerce development. As Marketing 4.0 theory can be used in both online and offline business channels to engage customers, Kotler *et al.* (2016) note that this theory is an integration of traditional marketing methods with more digitised styles to improve customer relationships. The current study will use this theory as it integrates modern and traditional marketing to successfully engage customers to measure how its facets relate to millennials, particularly in the social commerce phenomenon.

2.6 OVERVIEW OF MARKETING 4.0 DIMENSIONS

Jara *et al.* (2012), outlined that Marketing 4.0 entails four dimensions - namely brand identity, brand image, brand reputation, brand integrity and brand interaction.

2.6.1 Brand identity and brand image

Marketers position a company brand in the minds of customers to create a brand image; this is called brand identity (Jara *et al.*, 2012). In addition, brand identity is about placing the brand in the minds of buyers. In other words, a brand must be applicable or aligned with the needs and wants of consumers (Jara *et al.*, 2012). Brand identity is a designed picture of the company for the consumers; in other words, it is not what customers view about the brand but is about the intended image of the firm.

After the marketers have successfully positioned a brand in consumers' minds, a view or perception about the brand position is acquired from customers in the form of brand image. Jara *et al.* (2012) further define it as getting customers' mind share about a brand. What customers perceive about a positioned brand is known as brand image.

Brown, Dacin, Pratt and Whetten (2006) posit that there are two main types of research on brand identity and image. The first is at a company level and is focused on how an organisation advances distinct, unique products with intentions to create long-term brand value. The second is at a singular level of research, based on how the stakeholders of an organisation perceive it.

2.6.2. Brand integrity and brand interactions

“Brand integrity or brand reputation is based on satisfying what marketers claimed to seek to achieve during their product or business positioning” (Jara *et al.*, 2012). Foroudi (2014) suggests that the performance of the brand and its reputation entails physical appearance such as name, logo awareness and brand attitude; the logo design and brand serve as a first impression. Based on Jara *et al.* (2012), brand interaction ensures four scopes of customer experiences about the product or brand. First, the interaction between a consumer and a product; second, the capacity to confirm if the product does fulfill the needs of the user; and third, the capability to verify values-driven brand performance and to measure how the brand survives when attacked. Lastly, experiences also include explanations about the proof of value-driven activities, as well as overall experiences from the customers.

2.7 MILLENNIAL GENERATIONS IN SOUTH AFRICA

Writing in 2016, Duffett and Wakeham (2016) describe millennials (also known as Generation Y) as people who are 18 years to those in their early thirties. (In 2023, they would be 23 to late 30s). They note that this group represented above 2.5 billion people, which is two thirds of the global population.

In South Africa, there are more than 10 million millennials, the majority of whom own smart phones and two thirds have internet access and social networks on their cell phones (Barrenblatch, 2015). As seen in the figure below, Stats SA (2018) categorises South African citizens into three generations; Generation X, which are those who were born between 1960 and 1979; Millennials/ Generation Y are those born between 1980 and 1999 – while millennials born between 1994 and 1999 are called Born Free Millennials. Those born after 1999 are simply termed Born Free (Stats SA, 2018).

Stats SA (2018) also notes that in 2018 there were 20.4 million people in the cohort of 19-30 year-olds, which was 52% of the population. This group was born at a time in which technology experienced the highest innovations ever (Stats SA, 2018).

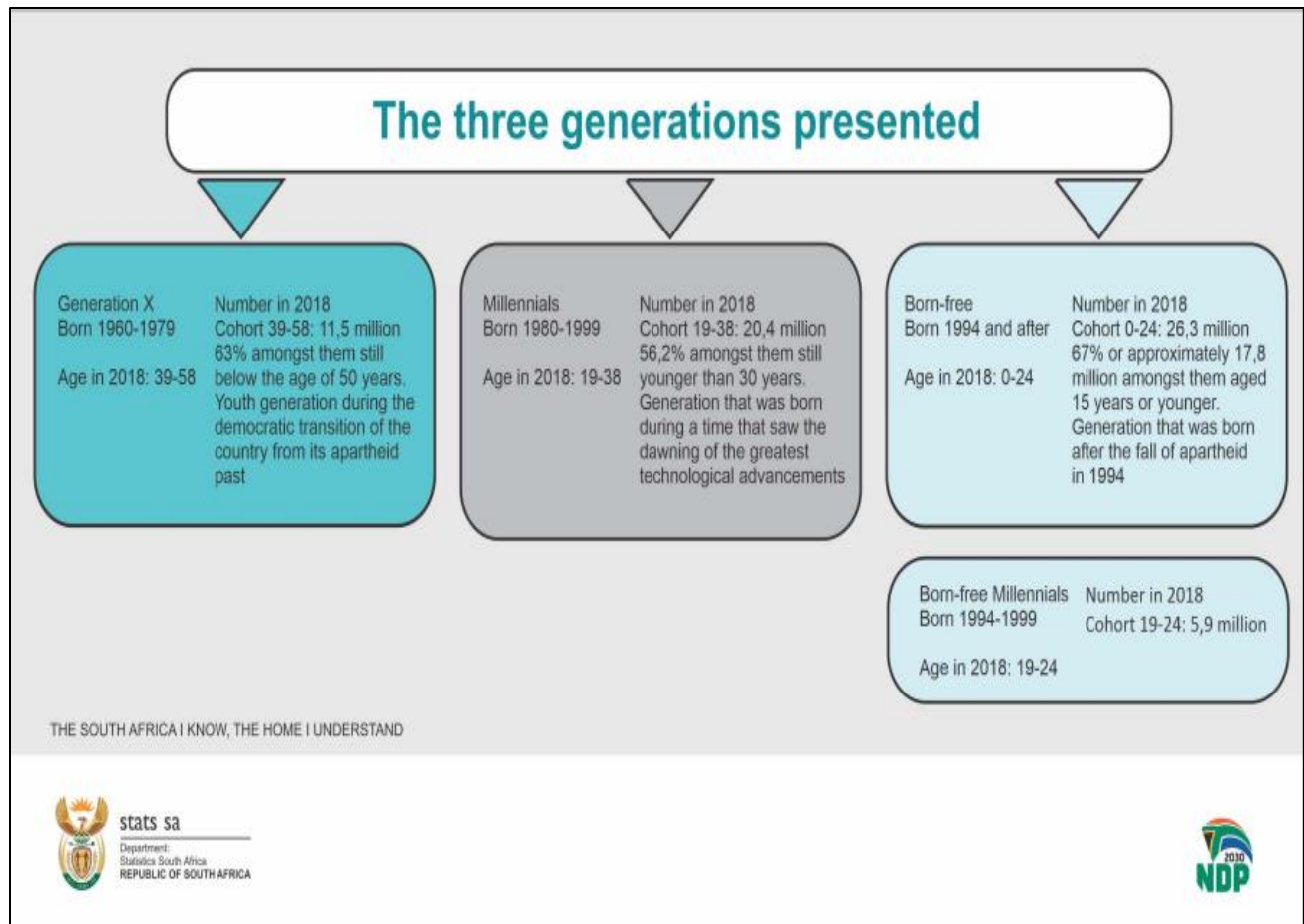


Figure 4: Three generations in South Africa (StatsSA, 2018)

2.7.1 Millennial online shopping behaviour

According to Duffett (2020), Generational Cohort Theory suggests that people born during a particular period show similar attributes. This cohort is formed by certain social, technological, cultural, socioeconomic, political, and other factors that materialise during the era in which they lived (Duffett, 2020). It has been noticed that each generational group shows parallel lifestyles, attitudes, psychographic features, needs, interests, values, media usage, shopping behaviours, technology acceptance and similar responses to other events that happened during their generation (Duh & Struwig, 2015; Padayachee, 2017).

As noted above, as the millennial generational group have spent their entire lives in the online era of computers, the internet, and social media, it is more technologically advanced and knowledgeable compared to former generations (Duffett, 2020). According to Zhang *et al.* (2017),

Duh and Struwig (2015) and Padayachee (2017), this generational cohort enjoys instant messaging, video and picture posting, and e-commerce as a fundamental part of their daily lives. In his study, Duffett (2020) outlines that the buying power of the millennial group contributes US\$600 billion per annum and it is anticipated to exceed three-quarters of individual spending power in the next five years.

Similarly, on the African continent, the millennial cohort is estimated to comprise two-thirds of individual spending and contributes more than 50% of the continent's ZAR180 trillion buying power (Duffett, 2020). Winarko, Parapak, Virananda and Yulianti (2022) confirms that South Africa is part of this trend because six out of ten inhabitants are below 35 years of age and more than 25% of them are members of the millennial category (Duffett, 2020).

The millennial generational segment cannot be ignored in the research both by scholars and business practitioners. Based on Araújo, Magno, Meira, Ameida, Hartung and Doneda (2017), future research should be focused on younger people, particularly in the social media and ICT fields. Of interest is how ages of millennials vary from one country to the other (Duffett, 2020). For example, Duh & Struwig (2015) and Padayachee (2017) postulate that the dates of birth for the millennials market are commonly between the early 1980s and early 2000s. On the other hand, other studies mention that millennials are inhabitants between 18 and 32 years (18-32), which is the age used by Thomson (2018) and Zhang *et al.*, (2017) – suggesting that they were born between about 1986 and 2000. Duffett (2020) asserts that the variation between the previously mentioned age groups occurs because of differences in life stages and other social economic statuses.

The current study adopts the Stats SA's (2018) definition of millennials – namely people born between 1980 and 1999. This cohort usually comprises younger people who are students, searching for employment or who just started working (Duffett, 2020) while older millennial youth may have been employed for ten years and may have the optional income to spend (Padayachee, 2017). The study focuses on the millennial group because of their buying power (mentioned above), technology savvy, dominant population with small or larger incomes (Duffett, 2020; Padayachee, 2017). Lastly, the millennial generational cohort was used because they spent the majority of their lives in the ICT and social media era (Wakeham & Duffett, 2016; Duffett, 2020).

2.8 OVERVIEW OF PREVIOUS STUDIES ON MARKETING 4.0

As the internet has influenced everything in the business industry, almost no organisation can escape its effect; as social media and consumer connectivity continue to grow, the internet has made consumer interactions simpler and dominant than before (Dash *et al.*, 2021). As mentioned above, the dominance of the internet and ICT has meant that researchers developed a new method of marketing, namely Marketing 4.0 (Jara *et al.*, 2012; Kotler *et al.*, 2016), which marks a change from merely using traditional marketing to utilising digitally aligned methods to engage consumers to create customer relationships (Kotler *et al.*, 2016). Kotler *et al.* (2016) note that Marketing 4.0 merges online and offline engagements between firms and consumers in the digital business market. They further emphasise that in the modern developing sector, it is not enough to only communicate with customers, and that organisations must incorporate their style to be more flexible and adjustable in a technology-savvy era.

Gau *et al.* (2019) conducted a qualitative study reflecting the Marketing 4.0 perspective of old age citizens and its effect on community practice. The author outlined that marketing strategies are a development of a lifetime as its evolution can be categorised into four stages - Marketing 1.0 to 4.0 (Kotler *et al.*, 2010; Kotler *et al.*, 2017). In 2010, Varey and McKie conducted a postmodernist and post-structuralist study explaining the move from Marketing 3.0 to 4.0, clarifying that businesses should prioritise collaborative relationships with users, community, and environment when using marketing strategy. Krauss (2017) posits that in the age of Marketing 4.0, a firm cannot only communicate its purpose and values to society but, rather, must undergo a co-creation process that leads to a partnership with consumers, friends, and communities, such as Twitter followers, Facebook friends, and other stakeholders. Krauss (2017) proposes that Marketing 4.0 professionals should not just search for attention, but should change customers into publicists for their firm, products or services once they have experienced them.

Erragcha and Romdhane (2014) state that marketing is a field that is continually changing. Marketing 4.0 occurs as a result of the growth in international competition, innovations, technological advancement, and more informed and advanced customers (Vassileva, 2017). The recent ICT, Internet-of-Things, robotics, and cloud technology has helped to establish a variety of sectors in the economy (García-Haro, Ruíz-Palomin, Louise, Ricardo, Pablo, 2021). In addition, mobile cell phones have brought peer-to-peer engagements and given the power to more customers (Kotler *et al.*, 2016). According to García-Haro *et al.* (2021) the Marketing 4.0 approach is

grounded on social interactions, where customers depend on the experiences of others to make decisions. Vassileva (2017) confirms that the digital era has changed the purchasing process as consumers search for information, assess products, engage with the organisation, and make buying decisions.

Various studies have been conducted to understand Marketing 4.0. In 2012, Jara, Parra and Skarmeta conducted a study to ascertain various dimensions of Marketing 4.0 and its expansion from Marketing 3.0. On the other hand, when investigating the main barriers of technology. Świeczak (2017) employed a conceptual model of Design-Direct-Development-Interventions-Innovation-Capacities, explaining the incorporation of marketing and digital phenomenon.

Both Jarra *et al.* (2012) and Świeczak (2017) propose that Marketing 4.0 theory is important as consumers currently seek products not only to fulfil their needs but increasingly demand products that are in line with their match their personalities and needs: “They are looking for goods that enable them to share their creativity and find in them the values defined by Marketing 3.0” (Martínez-Ruiz *et al.*, 2020). In this approach, customers desire to be part of product creation; they engage the organisation and contribute at any stage of its creation process (Łukowski, 2017).

The research on Marketing 4.0 is crucial as it provides clarity of how consumer behaviour, business, and the global economy can be improved in this era. The present study will, therefore, use the Marketing 4.0 constructs and integrate them with s-commerce features to ascertain how they influence the behaviour of millennials in social commerce with intentions to contribute to marketing, information management, and social science knowledge. In essence, during the digitisation era, Marketing 4.0 cannot be neglected as it provides several advantages to communities, consumers, peers, and firms (Martínez-Ruiz *et al.*, 2020; Łukowski, 2017; Jarra *et al.*, 2012; Świeczak, 2017).

Most importantly, Mukherjee (2017) suggests that both Marketing 3.0 and Marketing 4.0 are still in their initial stages as the practicality of methods and tools from these theories still need further investigation - particularly co-creation practical research in the marketing field (Tarabasz, 2013). Dash *et al.* (2021) maintain that there is still a shortage of studies in the literature that investigates the Marketing 4.0 theory and its branding components, both in traditional e-commerce and social commerce. However Winarko *et al.* (2022) conducted a second study on Marketing 4.0 constructs, and came up with different findings. This opens a gap to study the Marketing 4.0 theory in detail

and find reasons why one author's study accepts the whole model and its variables while Dash *et al.* (2021) observe that only two variables are significant.

2.9 OVERVIEW OF PREVIOUS STUDIES ON SOCIAL COMMERCE

INTENTION

Hajli (2014b) conducted a study proposing a model of social commerce adoption between internet users and social media platforms. The research revealed that consumers are conscious of product or services, given that in s-commerce they can share and access information from others.

Shin (2013) discovered that trust has an influence on social commerce intention – while Liang, Ho, Li, and Turban (2012) investigated social support, website quality, and relationship quality. In 2015, Bai, Yao, and Dou tested social commerce constructs that influence consumers buying intention. After running a regression analysis, the authors discovered that social support, service, and product quality, as well as the use of a third party such as influencers, celebrities etc, have a notable effect on purchase intention, as controlled by trust.

In 2013, Kim and Park studied trust theory to discover if there is any relationship between trust and s-commerce. Consequently, Lee, Kim, Chung, and Lee (2016) investigated factors that influence consumer value in-group purchasing and studied the impact of price on the trust of customers in social networks and on their reputation. Hajli (2013) used a model to test social commerce concepts on intention to purchase, using concepts such as reviews and ratings, forums and communities, recommendations, and referrals.

As every study mentions that trust is a fundamental issue when it comes to online businesses, Hajli (2013) also discovered that social commerce features have an encouraging influence on trust, which leads to purchase intent. Chen and Shen (2015) explored s-commerce from two closely related but different views - social sharing and social shopping - and their study revealed user commitment and trust amongst the two most essential influences in social development. According to Hajli (2015) social commerce facets have a strong influence on trust and social support, which then increases intention to purchase.

In line with this, Lin, Li and Wang (2017) discovered that social commerce aspects have a fundamental influence on buyers' trust in sellers, which influence recommendations of the service or product. In their study, Kühn and Petzer (2018) searched factors such as customer service, perception of the website, privacy based on adoption theory, and reliability. Beyari and Abareshi

(2016) explored the causes of customer satisfaction in social commerce adopting trust and theory of social influence. Beyari and Abareshi (2016) extended Kim and Park's (2013) trust theory to measure the correlation between social commerce development and trust. Shin and Chin (2015) explored two views of trust in social commerce, namely identification-based trust and information-based trust - and the authors found that both dimensions of trust positively affect the trust of customers. Furthermore, Lee *et al.* (2016) examined trust in s-commerce setting using barriers to entry, informational disclosure, and community standards; it was discovered that trust is bought by the experience of others in social commerce development.

Anaya-Sánchez *et al.*'s (2019) study of millennial social commerce preferences on s-commerce purchases included web design, web-usability, functionalities, web-sociability, cognitive assessment, effective assessment, and purchase intention. Akman and Mishra (2018) studied the influence on behavioural intention of perceived ethics, trust, easiness/enjoyment, social pressure, awareness, and satisfaction as it was assumed that it leads to actual usage. Moreover, Bazi, Haddad, Al-Amad, Rees and Hajli (2022) researched the effect on purchase intention of social influence and social support in the period of Covid-19 pandemic, hypothesising factors such as convenience, positive and negative moods, social support and five personal/ psychological traits (extraversion, neuroticism, agreeableness, conscientiousness, and openness). Their study revealed that negative mood was not supported and social support had different outcomes on each of the traits, while convenience has a significant influence on purchase intention. Shanmugam, Sun, Amindi, Khani and Khani (2016) investigated whether customers are likely to continue with their transactions when there is trust in electronic development and discovered that s-commerce development enhances informational and emotional support.

Following similar studies, in 2014 Hwang, Lee and Kim researched the factors that drive customers' purchase intent and behavioural qualities. The authors tested concepts such as social presence, information asymmetry and trust. Their entire research shed some light on customer behaviour and behavioural qualities of customers in s-commerce settings and encouraged the utilisation of trust in s-commerce phenomenon. Likewise, Han and Windsor (2011) surveyed customers' preparedness to pay directly on social networks, and discovered that customer trust has a strong positive influence on buyers' readiness to pay on s-commerce. Moreover, the consumers' trust in other social media buyers also explained a positive effect on the willingness to directly pay on the platform (Han & Windsor, 2011). Finally, Lee, Cho and Bae (2017) concluded that numerous research have been conducted to test these factors and have highlighted that no studies have examined factors such as customer attitudes/ biases, social influence, the reputation of peers, the reputation of business or website and security of the online transaction - and how they affect trust in an online setting. The authors used Pearson's correlation modelling and discovered that all the factors tested are statistically significant in their influence on trust.

In summary and as previously mentioned, social commerce studies have been conducted in various spheres around the globe. To ensure that the present study is not duplicating existing research, a summary of previous research on social commerce to supplement the literature discussed in the previous section. In addition to that, the author is aware that, apart from the use of conceptual models, several studies in social commerce development applied existing technology acceptance theoretical models. The models will be discussed later in the chapter.

Table 2: A summary of constructs used in previous social commerce research

Reference	Research Topic	Independent variables	Dependent variable (s)	Actual Behaviour
Hajli (2015)	Social commerce variables on intention to buy	Recommendations and referrals Ratings and reviews Forums and communities	Trust and Intention to purchase	Intention to buy
Duffett and Wakeham (2015)	Social media communications and its influence on millennial	Awareness Liking Preference Knowledge	Attitude phases (cognitive, affective,	

Reference	Research Topic	Independent variables	Dependent variable (s)	Actual Behaviour
	attitudes in South Africa	Intention to purchase	and behavioural)	
Ali, Hussin and Bulasim (2016)	Experiences of e-WOM in social commerce	Relational factors Technological factors Information characteristics Individual characteristics Consumer behaviour	Electronic word of mouth	
Akman and Mishra (2018)	Factors that affect customer intention in social commerce acceptance	Ethics Satisfaction Awareness Trust Enjoyment Social pressure	Behavioural intention	Actual usage
Sánchez, Bonaño, Badía (2019)	Millennial preferences in social commerce	Usability Sociability Functionality	Cognitive and affective assessment	Purchase intention
Lee, Cho and Bae (2017)	Factors influencing trust in social commerce: A (SEM)	Social influence Reputation of Business Customer attitudes Transaction security Reputation of peers	Trust	
Yahia, Al-Neama and Kerbache (2018)	Exploring the motivators for social commerce in social media platforms	Price Product differentiation Reputation Facilitating conditions Habit Social interaction Language efforts Hedonic efforts Social support Ease of use	Trust	Social Commerce intent

Reference	Research Topic	Independent variables	Dependent variable (s)	Actual Behaviour
		Hedonic motivations		
Lebua and Pretorius (2018)	The effect of demographic variables on the acceptance of social commerce	Age Gender Education Employment Purchasing power	Received relevance of social commerce	
Liu, Bao and Zheng (2017)	Investigating consumers' purchase intention in social commerce	Informativeness Persuasiveness Social presence Trust (moderator)	Purchase intention	
Yusuf, Abdelsalam and Busalim (2018)	Effect of e-WOM on customer buying intention in social commerce	Information quality Attitudes towards E-word of mouth Information credibility Website quality E-word of mouth (moderator) Innovativeness Social support	Purchase intention	
Ali, Abbass and Farid (2020)	Variables affecting customers' purchase intention in social commerce	Social commerce Constructs Risk Trust Online behavioural advertising	Purchase intention	
Dash, Kiefer and Paul (2021)	Marketing 4.0's effect on social commerce satisfaction and purchase intention	Brand identity Brand interaction Brand image, Brand integrity	Purchase intention Customer satisfaction	
Bazi, Hadaad, Al-mad, Rees and Hajli (2022)	Exploring the impact of social support on social commerce in the	Social support Convenience Constructive mood Bad mood	Online purchase intention	

Reference	Research Topic	Independent variables	Dependent variable (s)	Actual Behaviour
	age of the COVID-19			
Rashid, Pitafi, Qureshi and Sharma (2022)	Social commerce variables and social presence on buying intention in the time of covid Covid-19	Social commerce variables Trust in vendors Social support Social presence	Buying Intention	

Author's own compilation (2022)

2.10 EMPIRICAL LITERATURE REVIEW

The next section provides an empirical review of the variables for the study. Each variable is discussed and explored regarding how it was used in different research and gaps are identified with the intention to address them in this dissertation.

2.10.1 Platform reputation

In the case of social commerce characteristics, a vendor's reputation was the initial construct (Kim & Park, 2013); this is described as the degree to which customers accept that an organisation is truthful and cares about its buyers (Doney & Cannon, 1997). Customers' purchase intent to purchase from e-tailers is influenced by their confidence in the website of the vendor (Lăzăroiu, Neguriță, Grecu, Grecu., Mitran., 2020). Jarvenpaa *et al.* (2000) discovered that an organisation must have the capability to drive and fulfil customer expectations in a consistent manner with intentions to establish trust, as trust is assumed to be more difficult to gain in an online setting than offline (Yahia *et al.*, 2018).

According to Doney & Cannon (1997), a company with a decent image or reputation gains a strong degree of trust. Park *et al.* (2012) emphasise that a good reputation is a powerful and major intangible asset of any online business as it conveys potential signals to customers for improving trust. As s-commerce is a relatively new development, Kim and Park (2013) point out that new Korean companies are still not doing well in terms of marketing; this is also the case in South Africa. Establishing a positive reputation is essential for these start-up firms to be successful. Furthermore, Koufaris and Hampton-Sosa (2004) mention that in electronic commerce, the way

customers view the reputation of a business plays a fundamental role when creating their trust. Kim and Park (2013) suggest that a good reputation enhances trust, while Teo and Liu (2007) outline that an organisation's reputation is commonly shared among peers and that this plays a key role in improving their trust. Few studies have shed light on this variable in an e-commerce setting. In 2002, Janda, Trocchia and Gwinner investigated the perception of customers in retail service quality, and discovered a relationship between reputation and trust (Janda, Trocchia, & Gwinner, 2002). Moreover, in their study focusing on a free software case study, Casaló, Flavian and Guinaliu (2007) found that there is an adjacent relationship between the reputation of a firm and trust. Kim and Park's (2013) investigation of the effect of different s-commerce characteristics on trust within social commerce discovered that the reputation of a firm has a significant influence on trust in Korea - while Dash *et al.* (2021) discovered that the reputation of a business has the strongest significance on trust within social commerce. Since the previous studies were conducted largely in Korea, India, South and North America, this opens a gap for the current study to test the variable of reputation in South Africa, to test cultural differences. The current study has used the Facebook platform to test if there is any variation in terms of platform reputation perception by customers.

2.10.2 Price

Price is one of the instruments that marketing practitioners can use to enter the market, either to retain or attract consumers, or to fight rivals (Boonlertvanich, 2009). Kotler (2000) defines price as a value paid by a buyer to the seller for the benefits of using a good or service. According to Najmudin, Andari, and Harnaji (2020) when selling a good or service, price is a measure that expresses the value or quality of a service or good. Peter and Oslon (2013) assert that pricing is understood by customers as a way of evaluating potential advantages of a good or service. Schiffman & Kanuk (2007) posit that the way consumers perceive price differs from one customer to the other; that the perception of price is how customers view a certain amount charged for the product - such as being expensive, fair, or low - and this has substantial influence on satisfaction of buyers and purchase intention. Najmudin *et al.* (2020) explain that in the mental processing of price information, customers evaluate the amount charged with a variety of price ranges they imagine for that product or service. Prices that are thought to be reasonable are known as internal reference prices. According to Wagner (2007), many customers who purchase clothes online do

so because they are looking for lower prices. However, the author emphasises that though consumers look for the lowest prices, they expect them to be within the average range. Wagner (2007) concluded that clothing shoppers seem so price savvy that they are attracted by prices that are not expensive compared to other retail sellers.

Additionally, Reibstein (2002) highlighted that price is a factor that attracts customers to purchase through online vendors and is one of the key factors that encourage buyers to return. On the other hand, Dodds *et al.* (1991) revealed that price has an inverse influence on the perceived value of the product and buying intention. Menon *et al.* (2016) clarify that the influence of price on customer behaviour lacks consistency and needs further empirical research, especially because the price has become a fundamental feature or characteristic of a product, given that consumers cannot feel or touch products in online retailing (e-commerce).

Including price as a construct to ascertain how it affects social commerce purchase intent, Menon *et al.* (2016) found that price had a notable influence on purchase intent. When Najmudin *et al.* (2020) tested the influence of price and other variables, it was discovered that price influences purchase intent. While price has been used in different situations to analyse consumer behaviour (Dodds, 1991; Menon *et al.*, 2016; Yahia *et al.*, 2018) the results still show different outcomes. Somervuori (2014) further states that in the literature, the relationship between price and demand is still complicated, particularly in online settings. Moreover, price as an online determining factor has not been researched thoroughly, particularly in social commerce settings (**Refer to Table 4** and the literature above).

This leads to the current study closing the gap by testing how consumers perceive price within social commerce development. Including trust in the proposed model will shed some light on the importance of this variable in the buying and selling process, particularly within social commerce.

2.10.3 Product differentiation

Kotler and Armstrong (2011) define a product as any item that can be provided in the business market to get consumers' attention and which are sold to satisfy the needs of customers. According to Schiffman & Kanuk (2007), product quality is the organisation's ability to express identity or features in each of its products so that consumers know the products.

Product quality is one of the fundamental standards for the success of a firm; good quality products allows a company to compete against its rivals (Najmudin *et al.*, 2020). Najmudin *et al.* (2020)

also recommend that organisations need to create modern innovations in the products they sell because customers are critical when it comes to analysing the products they see in the business market. They further assert that when an individual purchases a product, they do not just do so to own it, but to satisfy their needs (Najmudin *et al.*, 2020). Kotler and Armstrong (2011) describe a product as anything that can be made available to the business market with the aim to satisfy the needs and wants of consumers.

Quality is one of the fundamental pillars of marketing used for positioning (Najmudin *et al.*, 2020); such as differentiation (Dedi, 2018). According to Cravens and Nigel (2009), product differentiation occurs when a product contribution is perceived by consumers as different from its competitors either in its features, physical characteristics, or price. Developing a service or product that is considered unique allows the firms to charge prices that are higher than the average (Deli, 2018). Moreover, with product differentiation, the firm's focus is on designing an extensive differentiated product line and marketing strategy in order to ensure that it becomes a leader in the industry.

According to Case, Karl, Fair, Fair and Ray (2007), product differentiation is a method used by companies to acquire market power, through the strategy of creating a product that has a unique identity in the minds of buyers. Due to the customer loyalty that usually occurs when this marketing strategy is applied, the demand is inelastic which leads to higher profits for the seller (Aulakh, Kotabe & Teegen, 2000). In spite of the advantages of this marketing strategy, its effectiveness has never been well studied in online retailing such as s-commerce (refer to Table 4). Yahia *et al.* (2018) conducted a unique study about the effect of s-commerce characteristics on trust within social commerce design. Though that was the first study to test product differentiation on customer behaviour, the results revealed that product differentiation does influence trust.

To gather more information about product differentiation in social commerce, several searches were conducted. These showed that no study had mentioned product differentiation within social commerce. This was confirmed by Wang and Zhang's (2022) rigorous research synthesis of 384 social commerce papers published between 2011 and 2021 which found that no study had ever measured product differentiation as a component of social commerce. Among other variables ever used in the social commerce phenomenon, 115 articles included transactions, followed by trust in 95 articles; like and share were the least used components of s-commerce (Wang *et al.*, 2022). This

confirms the gap to be addressed in the current research which is to test product differentiation in a social commerce setting.

Figure 5 presents an overview of the most frequently used social commerce components (Wang *et al.*, 2022).

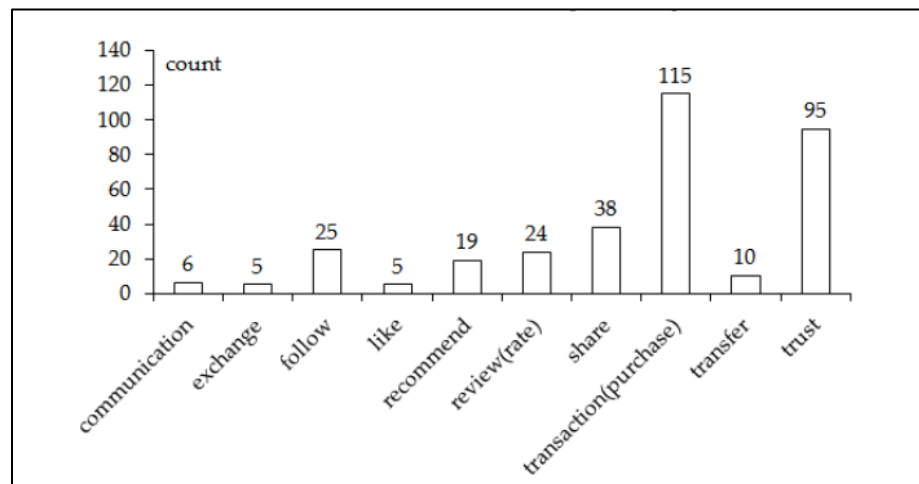


Figure 5: Distribution of some of the most frequently used social commerce components(Wang *et al.*, 2022)

The following section summarises often-used social commerce components between 2011 and 2022.

2.10.4 Reviews and ratings

In social commerce innovation, customers search and acquire the information they want using posted recommendations and referrals, reviews and ratings (Hajli, 2015). In addition, reviews and ratings are the key elements of social commerce. According to Chen, Xu and Whinston (2011), peers can easily post reviews of products and services using the reviews and ratings feature. Yubo and Jinhong (2005) argue that reviews that are created by the third party decrease customers' needs to access advertising information. Algharabat and Rana (2020) state that customers play a fundamental role in marketing the company because they share buying experiences and details

with others via comments, using word of mouth to spread information about goods and services (Hajli 2015; Alalwan, Rana, Dwivedi & Algharabat, 2017; Chen and Shen 2015).

Fuller *et al.* (2009) define empowerment as the capability of social media design to allow individuals to engage and contribute. They assert that consumers are empowered by interactions which enable them to generate and co-create content; and where consumers have access to reading their peers' experiences about the product, for example, companies are increasingly co-creating with consumers (Fuller *et al.*, 2009).

Yubo and Jinhong (2005) posit that there is growth in research about reviews and ratings, particularly those by customers. Rating and reviews have been widely studied in social media marketing and social commerce (Chen & Shen, 2015; Liang & Turban, 2011; Hajli, 2015; Hajli *et al.*, 2017; Li, 2017; Alalwan *et al.*, 2017; Shama Sarker *et al.*, 2020; Wang *et al.*, 2022). These studies confirmed the impact of reviews and ratings as one of the social commerce characteristics (Hajli, 2015; Kim & Park, 2013). They also confirm that reviews and ratings, communities and forum recommendations, and referrals are the three major elements of social commerce. Hajli (2015) and Kim Park (2013) revealed a positive effect between s-commerce variables and trust in online channels – and Banerjee, Bhattacharyya and Bose (2017) noted that reviews and ratings and social commerce characteristics have an effect on trust. Furthermore, Alalwan *et al.* (2017) posit a strong influence of social commerce dimensions and trust of social commerce.

Wang *et al.* (2022) note that ratings and reviews are seldom mentioned in social commerce research. This opens a gap for the current study to integrate ratings and review of Yahia *et al.*'s (2018) social commerce characteristics - namely price, product differentiation, and platform reputation. This study will thus integrate ratings and reviews as Yahia *et al.*'s (2018) characteristics – while other variables such as recommendations and referrals and forums and communities will not be tested. The reviews and ratings will be tested on how they affect the purchase intent of millennials on Facebook within the South African context.

2.10.5 Trust

Hajli *et al.* (2017) report that trust is an central issue in internet retailing and confirm that trust is very important in s-commerce because of the role of peer-created content. Guo, Bayo, Le and Nguyen (2018) outline that perceived trust and risk in e-tailing are essential parts of the development of social commerce. Abed (2018) maintains that trust and social influence represent fundamental facets enhancing social commerce purchase intention. In Pratano's (2018) case, trust

improves internet vendors' selling and pricing abilities, which leads to the positive performance of the organisation. According to Xie, Song, Peng and Shabir (2017), trust has a positive influence on social standards. Sharma Menard and Mutchler *et al.* (2019) assert that online trust in businesses influences customers' trust and the readiness to use social commerce. Chen, Huang and Davison (2017) assert that sellers create customer relationship with customers by fostering mutual trust. Trust is among the fundamental facets of customers' buying intention when purchasing things on temporarily rented people-to-people rented platforms, where both the vendors and renters do not know each other (Wu, Ma & Xie, 2017). Bashir, Anwar, Awan and Qureshi (2018) mention that the considered financial risk of online users determines their trust in online vendors.

Authors writing on social commerce practice mention trust in different contexts and applications (Hajli *et al.*, 2017; Yahia *et al.*, 2018; Pratono, 2018; Abel, 2018; Bashir *et al.*, 2018; Zhang *et al.*, 2018). As trust is quite prominent in social commerce research, the proposed conceptual model includes trust as a fundamental component of s-commerce. It is therefore in this theses seeks to review some studies to obtain an insight into how trust was used within social commerce development.

In their social commerce Facebook study, Hajli *et al.* (2017) employed variables such as information seeking, social presence, and familiarity – and they found that trust enhances information seeking, which leads to familiarity. Yahia *et al.* (2018) show that price and reputation enhance trust, but their indication is moderated by habits. Mou and Shin (2018) outline that customer trust, value, and product quality have a positive effect on social popularity. Furthermore, it was stressed that online sellers' fear or doubts is negatively related to their trust (Lien *et al.*, 2017). Lopez *et al.* (2017) noted that trust, familiarity, and switching boundaries significantly affect loyalty. In the case of Wu *et al.* (2017), personalisation, artistic appeal, financial security, and functionality all create customer attitudes and trust toward a website. Finally, Liu *et al.* (2018) observe that peer-to-peer trust and customer-to-sellers trust positively lead to consumer engagement, which creates brand trust.

While trust has been used in a variety of studies, they show that trust gives different outcomes, based on the variables applied within each situation. Trust has been used as an independent variable, dependent, moderator, and output variable in selected studies (refer to Table 4). However, the present study uses trust as a mediator of social commerce characteristics. As previously mentioned, trust in social commerce studies serves as a dichotomous variable. Although there are

social commerce studies that include trust as a mediator, the studies did not utilise trust as a mediator to social commerce characteristics except in Yahia *et al.* (2018). This study will close this gap by further including Marketing 4.0 facets of branding.

2.10.6 Marketing 4.0 dimensions

The evolution of Marketing 4.0 has resulted in an extension of branding components within the marketing field to four – namely brand identity, brand image, brand integrity, and brand interaction (Kotler *et al.*, 2017). To accomplish a competitive edge over competitors and to retain existing customers, firms began to promote well-known brands, given that known branded goods sell better online (Chen-Yu *et al.*, 2016; Jordan, 2013). Park and Lennon (2009) posit that a strong brand has a favourable effect on the image of online sellers and perceived value, which promotes purchase intent in online buying of apparel products. With the gradual growth of online purchasing behaviour, many customers have bought a brand online and others did so repeatedly (Chen-Yu *et al.*, 2016). As a result, it is important to study the routine or how brand constructs affect consumers (Asam, Ham & Farhat, 2018). Furthermore, Asam *et al.* (2018) describes brand association as how information about the brand is connected with the brand in the perception of consumers.

In 2003, Kotler discussed several dimensions of brand alliance that affect customer behaviour, highlighting that a brand is a multidisciplinary construct that includes symbolic, experimental, emotional, and cognitive facets. On the other hand, Schivinski, Christodoulides, and Dabrowski (2016) suggested three types of brands – namely brand experience, brand effect and brand trust. Accordingly, Sirgy (1985) introduced brand image as another type of brand perception (symbolic view).

As noted above, Yahia *et al.* (2018) studied four dimensions of Marketing 4.0 theory, namely product brand image, brand integrity, brand identity, and brand interaction. These are explained below.

2.10.6.1 Brand identity

Aaker (1996) describes brand identity as a distinctive combination of branding strategies that marketing professionals seek to establish or maintain. Additionally, an organisation transfers a promise and image to consumers through brand identity (Ghodeswar, 2008). According to Harris (2001), it does not only portray the business-to-customer relationship, but also the way its internal team understands its brand. That is the reason why a team needs to use its internal capabilities to manage brands to establish engagements between the firm and customers (Winarko *et al.*, 2022).

He (2016) asserts that brands try to create attractive and strong brand identities to acquire an advantage and become more distinguishable from their competitors. Aaker (2010) provides further details – that brand identity depends on the capability of marketing practitioners and how they want a brand to be viewed and understood by users. According to Mindrut (2015), brand identity is described by an organisation and how it wants to be perceived, and how a business wants to describe itself (Nandan, 2005). John and Sutherland (2004) mentions some of the factors or features that create a brand identity that aims to improve recognition – like image, name, typography, packaging design, colour, and slogan. Additionally, a brand identity is a distinct composition of brand relations displaying a promise to buyers and can include core or extended identity (Bhirmao, 2008).

According to Chernatony (2010), a firm displays its identity to its associates by using marketing mix tools such as product, price, promotions, and place. Kapferer (1997) developed the brand identity prism which describes six constructs of brand identity namely personality, physique, customer's dimension, reflection, self-image, relationship and culture.

Brand identity has not been widely studied in online settings, particularly in social commerce settings. In their study which tried to explore the role of brand identity on customer satisfaction in social commerce within the real estate sector, Dash *et al.* (2021) discovered that brand identity does enhance purchase intention and customer satisfaction. Winarko *et al.* (2022) undertook a similar study and found a positive correlation between brand identity and customer satisfaction and purchase intent of individuals.

In the history of Marketing 4.0 and social commerce literature, only two studies have been conducted to evaluate the whole model of Marketing 4.0. Further investigations about brand identity in digital settings are still needed, particularly in different settings such as Facebook in emerging markets.

2.10.6.2 Brand image

Kotler *et al.* (2000) describe the brand image as a combination of beliefs retained about a certain product. In Ferrell and Michael's (2011) view, brand image is the general view of a brand in the consumer's mind and can either be negative or positive. According to Kotler (1993), brand image and brand awareness are key components of brand knowledge. Kotler *et al.* (2016) describe a brand image as when buyers understand or view a concept of a brand and its positioning, which can enhance the purchase intention of customers and improve buyer loyalty (Hu, You & Liu, 2009).

According to Winarko (2022), a brand image may create a competitive edge owned by a brand. Furthermore, brand image can also affect customer actions and attitudes (Hu *et al.*, 2009). Only a few studies have been conducted about brand image as a dimension: two studies were conducted in the education sector and e-retailing (electronic commerce channels), and one in social commerce setting (Dash *et al.*, 2021; Winarko *et al.*, 2022; Alves & Raphoso, 2010).

In their study about the influence of brand loyalty, brand awareness, brand image and corporate credibility on buying intent in the telecommunication industry, Yaseen and Mazahir (2019) found that brand image was the strongest determinant of purchase intent, followed by corporate credibility and brand loyalty. Dash *et al.*'s (2021) study of s-commerce within the real estate sector using Marketing 4.0 theory (which includes brand image) showed that brand image has an effect on both satisfaction and purchase intention within that industry. Lastly, Alves and Raphoso (2010) researched the university brand image and student satisfaction and discovered that image has a remarkable influence on student satisfaction.

Brand image studies show different outcomes because they have been conducted in different settings. Since social commerce development, however, only one study have been conducted in relation to brand image (Dashe *et al.*, 2021). This study will ascertain further information using Facebook - in a different continent and country, in this case, Africa (South Africa) within the millennials segment.

2.10.6.3 Brand Integrity

Brand integrity can be defined as a brand's trustworthiness and its capability to offer a maintainable unique product for customers (Erdem & Swait, 2004). Dash *et al.* (2021) describe brand integrity as sticking to commitments made to consumers through differentiation and positioning strategies. Brand integrity proves that the brand has the capacity to provide the value proposition as promised (Campelo & Aiken, 2011). Furthermore, delivering services or goods to consumers as promised means that a company should address every complaint from consumers (Anholt, 2003). Baek and King (2011) state that giving more attention to the grievances of customers symbolises that the brand is trustworthy – which affects purchase intent and enhances perceived quality.

As previously mentioned, there is still limited research that examines brand integrity. Winarko *et al.* (2022) suggests that research that measures the association between the integrity of the brand,

satisfaction, and purchase intention of customers is still insufficient – although they state that past research shows that brand experience and image consistency have an impact on brand integrity. In s-commerce and e-commerce development, brand integrity was examined by Wikarno *et al.* (2022) and Dash *et al.* (2018). Within s-commerce and Marketing 4.0, Dash *et al.* (2021) discovered that brand integrity as a Marketing 4.0 construct has no significant relationship with satisfaction of customers and purchase intention. In their application of four Marketing 4.0 constructs in 2022, Wikarno discovered that in an e-commerce setting in which their study was undertaken, there was a positive correlation between brand integrity and customer satisfaction within their model. Though Wikarno (2022) undertook a second evaluation of Marketing 4.0 facets in an e-commerce setting, their study corresponded with previous research about brand interaction (Kotler *et al.*, 2017). However, Dash *et al.*'s (2021) findings of a negative correlation between brand integrity and customer satisfaction within social commerce development still needs another study to re-evaluate these findings which, in this case, is going to be done through using purchase intention other than customer satisfaction.

2.10.6.4 Brand interaction

Brand interaction is an improved dimension that is integrated with the Marketing 4.0 theory. Brand interaction is grounded in the experiences of customers gradually becoming more aware of the unprecedented interaction and cooperation with themselves in the creation of goods and services (Dash *et al.*, 2021). According to Dash *et al.* (2021), the growing pace of changes in ICT is highly associated with the rising effect of brand interaction in Marketing 4.0.

Schivinski, Christodolides and Dabrowski (2016) state that customers perform three tasks during the process of engaging with a brand: creation, consumption and contribution. In today's era, buyers are actively engaging with brands as never before, searching for interactive roles during the purchasing process (Dash *et al.* 2021). Wakarno (2022) points out that Covid-19 has forced organisations globally – especially small and medium enterprises (SMEs) – to accept digital marketing as a way to access buyers. Parent, Plangger and Bal (2011) emphasise that brands must communicate with buyers continuously to foster purchase intention. As a result, social media channels have established a way for instant messaging responses and friend group reviews that affect buying intent (Doorn, Lemon, Mittal, Nass, Pick, Pirner & Verhoef, 2010). Gensler,

Volckner, Liu-Thompkins and Wiertz (2013) suggest that brands use recent social networks to promote consumer satisfaction and buying decision by distributing brand information to them.

Some studies that examined this variable include (Dash *et al.*, 2021; Wakarno *et al.*, 2022; Gensler *et al.*, 2013). In their study, Dash *et al.* (2021) used social commerce millennial home buyers in India and found that brand interaction did not have any effect on buying behaviour and customer satisfaction. This study was the first of its kind in the literature to evaluate the constructs of the Marketing 4.0 model within a social commerce setting (Instagram). The outcomes of their research about brand interaction make it interesting for scholars to conduct second and third evaluation studies concerning Marketing 4.0 within social commerce.

In 2022, Warkano *et al.* conducted a follow-up study to evaluate Dash's 2021 Marketing 4.0 facets - but within an e-commerce setting. They retained all dimensions of Marketing 4.0 theory, and the study indicated that the whole Marketing 4.0 model (brand interaction) has a significant influence on purchase intent. However, their studies revealed different findings on the effect of brand interaction on purchase intent.

In the first study to investigate the Marketing 4.0 model (Dash *et al.*, 2021), only two facets of the theory - brand image and brand identity - were proven to have a strong effect on purchase intention. In the case of the second evaluation of Marketing 4.0 constructs (Wanarko *et al.*, 2022), the whole model was found to have a positive effect on purchasing intention. The inconsistency of these studies opens a gap for the current study to undertake a thorough evaluation of brand interaction within social commerce development.

2.11 CONCEPTUAL MODEL AND HYPOTHESES DEVELOPMENT

The conceptual model for this dissertation is developed on the study of Yahia *et al.* (2018). In addition, trust was adapted from Jarvenpa, Tracktinsky and Vitale. (2000); the social support factor was adopted from Hajli (2014); and hedonic motives, ease of use, facilitating conditions, and habits were derived from Venkatesh (2012)'s Unified Theory of Acceptance and Use of Technology 2 (UTAUT2). When developing their model, Yahia *et al.* (2018) included several constructs from existing theories such as UTAUT; as well as various factors, namely facilitating conditions, ease of use, hedonic motivation, and habits. These variables have been excluded from the model of this study because they have already been tested in existing research and were found

to have a significant influence on an individual's behavioural intention in all modes of technology (Hajli, 2015; Teo, 2009; Venkatesh, 2012; Venkatesh, 2003; Mikalef *et al.*, 2012).

Trust is a fundamental issue when it comes to online settings, especially when buyers and sellers do not know each other (Wu *et al.*, 2017). Additionally, Guo *et al.* (2018) mention that trust is a core dimension of s-commerce. The majority of scholars maintain that trust is fundamental because of its role in peer-generated content (Hajli *et al.*, 2017; Lopez *et al.*, 2017). Several scholars observed trust in different situations (Wu *et al.*, 2017; Yahia *et al.*, 2018; Pratono, 2018; Abel, 2018; Bashir *et al.*, 2018; & Zhang *et al.*, 2018). However, although trust is visible in existing research, it gives different outcomes based on the other variables it has been tested with. As both variables - Marketing 4.0 and s-commerce characteristics - are recent, trust will be retained in the model.

From Yahia *et al.* (2018), only social commerce characteristics such as price, product differentiation, ratings and reviews, and social commerce reputation were adopted. Furthermore, the model was expanded with Dash *et al.*'s (2021) constructs of Marketing 4.0 theory – which include four facets, namely brand interaction, brand identity, brand image and brand integrity. As these dimensions have not been widely studied, they were included in the model to integrate s-commerce characteristics.

The following figure shows a proposed model for the study.

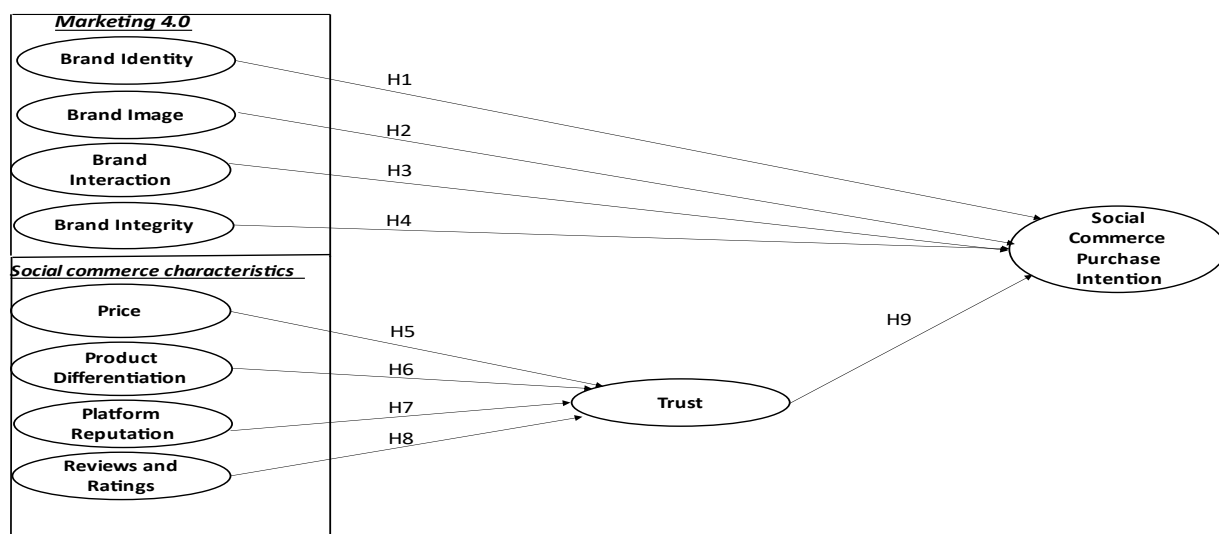


Figure 6: Conceptual model

Source: Author's own (2023)

2.11.1 Brand identity on purchase intention

Brand identity scrutinizes the brand position and how it is viewed by consumers (Dash *et al.* 2021). Jara *et al.* (2012) define brand identity as a strategy used by marketers to position a brand in a customer's mind. A company brand is designed to present a clear brand identity in the thoughts of customers (Jara *et al.*, 2012). According to Aaker (1996), brand identity is an exclusive type of brand association that the marketers seek to create. In much simpler terms, brand identity is an overall prediction of what the firm seeks to instil in the consumer's mind. Dash *et al.* (2021) outline that while the brand image is defined to be the view from the view of buyers, brand identity is the vision that an organisation wants to portray about the brand. In other words, brand specialists can use tools to assess a firm's brand identity. Lui *et al.* (2008) confirm confirm that a unique brand identity is a very fundamental element for increasing consumer satisfaction. of customer satisfaction. Carroll & Ahuvia, 2006; Fennis & Pruyn (2007) state that brand identity for some customers is how to show their individual identity; therefore, brand identity has an important role in consumer buying intention. while Dash *et al.* (2018) also assert that a solid brand identity impacts buyer's purchase intention and satisfaction. Therefore, in line with prior research, H1 can be formulated:

H1: Brand identity has a positive effect on social commerce purchase intention amongst millennials.

2.11.2 Brand image on purchase intention

According to Juhana *et al.* (2012), brand image is a picture, opinion or confidence towards a particular brand. Dash *et al.* (2021) outline that while the brand image is defined as the view from the view of buyers. Furthermore, Juhana *et al.* (2012) affirm that a good brand image can result in consumers to want a good or service. Dash *et al.* (2021) suggest that, similar to the relationship between brand identity and purchase intention, a well-crafted brand image may enhance positive customer perception. Rorry (2000) suggest that brand image has a positive correlation with increase in purchases by customers and referrals. According to Yang (2006) discovered that brand image plays a vital role in customer satisfaction. Dash *et al.* (2021) highlight that brand image's influence is fundamental to purchase intention. Schiffman and Kanuk (2010) add that this influence provides a unique relationship with customers, and that is important for increasing

purchase intention and retention. Paul (2019) found that there is a positive correlation between brand image and customer's self-image and behavioural intent of consumers. Paul and Unitthans (2020) postulates that a solid brand image assists a company or brand to gain trust and endorsement from customers and this enhances purchase decisions. With this discussion, H2 can be formulated as:

H2: Brand image has a positive influence on social commerce purchase intention amongst millennials.

2.11.3 Brand integrity on purchase intention

Based on Dash *et al.* (2021), brand credibility or integrity is about satisfying what the organisation guaranteed to offer during its product positioning. It is based on being consistent to the promise and establishing customers' trust in the brand (Dash *et al.*, 2021). Erdeim and Swat (2004) note that brand integrity leads buyers to think about substitutes – while Joshi and Gang (2020) assert that the accomplishment of a brand depends on its reliability, which is the opinions about the brand's experienced capabilities to deliver its promises. According to Hsu and Bayarsaikhan (2012), reliable buying practices are regularly at the top of consumer preferences. Napoli *et al.* (2014) suggest that the brand has to match up with the values and promises of the brand, and if these are fulfilled, then purchase intention increases. Sahin *et al.* (2011) state that a brand must deliver products and services as promised for a long-term positive influence on purchase intention. Therefore, this study hypothesises H3 as:

Brand integrity has a positive effect on social commerce purchase intention among millennials

2.11.4 Brand interaction on purchase intention

Social commerce encourages online connections that are reinforced by social media users who interrelate, share opinion, and provide reviews about goods or services (Chen & Shen, 2015; Wang & Zangh, 2012). Dash *et al.* (2021) maintain that customers these days relate with brands as never before, which enhances the buying process of customers, hence the brand interaction was included in the Marketing 4.0 model. Parent *et al.* (2011) suggested that brands must communicate consistently with customers to improve purchase intention. Parent *et al.* (2011) explained the significance of engaging in different social networks to establish customer connection in brand co-

creation. Research have presented that customers are more eager to purchase in online channels when other buyers share the advantages of the products, relatively to simply trusting on the vendor's narrative (Biucky *et al.*, 2017). Moreover, once the company interacts with buyers, the purchasing intention begin to exists and can better improve the shoppers' decisions (Dash *et al.*, 2020). With this background, H4 is formulated

H4: There is a positive relationship between brand interaction and social commerce purchase intention among millennials.

2.11.5 Price on trust

Price is an important factor that a customer considers when purchasing goods and services. Jordan (2013) emphasises that when consumers have a greater shopping experience from online retailing, they become more price-conscious and product savvy; this strengthens rivalry between online vendors. Based on Kim and Park (2012), consumers engage in social networks to explore better prices by cooperating with other consumers to make an informed buying decision. Basyazilicioglu and Karamustafa (2018) suggest that online channels contribute greatly to determining the prices of goods or services. They mention that selling online provides an advantage to vendors, including employing fewer workers, lowering rent costs, and eradicating middlemen (Basyazilicioglu & Karamustapha, 2018). The previously mentioned benefits can also affect the actual product pricing; therefore, prices in an internet situation are lower than prices in an offline environment. Similarly, Liao, Palvia and Lin (2006) prove that prices resulting from discounts enhance trust in electronic commerce. With this discussion, the relationship of H5 can be as follows.

H5: Price has a positive relationship with trust in social commerce.

2.11.6 Reviews and ratings on trust

Social commerce is where consumers get the services they seek through following reviews and ratings (Hajli, 2015). In addition, Hajli (2015) asserts that when users participate in online communities and read other users' ratings and reviews, they become used to the platform, and that leads to customer trust. Yahia *et al.* (2018) demonstrate that the efforts by social network providers (engaging consumers) increase the level of trust. Reviews and ratings build information-sharing and further allow individuals to rate products and services, bringing information benefits for users

and potential customers (Hajli, 2015). Dwivedi and Algharabat (2017) state that reviews and ratings play a huge role in the marketing of a brand or company as customers use word of mouth by commenting on the content posted by the company. This enables consumers to engage about their past experiences and product preferences. Fuller *et al.* (2009) explain that customers are encouraged by interactions with their peers within social media platforms, which leads to more trust. With this discussion, H6 is hypothesised as:

H6: Reviews and Ratings have a strong influence on the trust of millennials within social commerce settings.

2.11.7 Product differentiation on trust

Basyazilicioglu and Karamustapha (2018) posit that it has been found that technological phenomena have brought different changes in products and services. The physical product changes can be listed as product differentiation, market diversification, and smarter and personalised products (Basyazilicioglu, & Karamustapha, 2018). Yoon and Lee (2006) posit that pricing and product/service differentiation foster the trust of users in e-commerce. With this discussion, the study hypothesises the following. According to Schiffman & Kanuk (2007), the quality of a product is the company's ability to show its capability and characteristics of the products. Furthermore, Najmudin *et al.* (2020) mention that the product's quality and uniqueness are vital for an organisation's success and a good quality and well-differentiated product enables the company to be competitive over its competitor. Moreover, with product differentiation, the firm focuses on designing an extensive differentiated product line and marketing strategy to ensure that it becomes a leader in the industry. Therefore, a well-differentiated product leads to an increase in sales. With this literature, H7 can be hypothesised as follows.

H7: Product differentiation has a positive influence on trust in social commerce.

2.11.8 Platform reputation on trust

Kim and Park (2013) mentions that in social commerce features, the reputation of a seller was the first to be noticed. Based on Doney & Cannon (1997), this explains the extent to which consumers perceive the truthfulness of an organisation. Yahia *et al.* (2018) outline that fulfilling the needs of consumers is more crucial in social commerce than offline business modes. According to Lăzăroiş *et al.* (2020). Customers' purchase intent to purchase from e-tailers is influenced by their confidence in the website of the vendor. Park *et al.* (2012) mention that a good reputation is a

powerful and major intangible asset of any online business as it conveys potential signals to customers for improving trust. In addition, Kim and Park (2013) confirms that a good platform reputation increases trust and Teo and Liu (2007) assert that the company's reputation is mostly shared by peers and this plays a fundamental role in enhancing trust. With this discussion, H 8 is proposed as follows.

H8: Reputation has a positive influence on consumer trust within social commerce.

2.11.9 Trust on social commerce purchase intention

Though e-commerce, users are steadily increasing trust, quality, credibility - though refund/exchange policies remain the major concern in the s-commerce platforms (Kim & Park, 2012). Trust building is more important for s-commerce businesses than for other businesses, as it is based on social networks where users share more interactions about their perceptions of brands or sellers (Kim & Park, 2012). Moreover, trust is a central issue in social and business situation, particularly when there is a great degree of insecurity (Pavlou & Fygenson, 2006).

Hajli (2014a) defines trust in the situation of social media as the extent to which the network type is willing to accomplish its promise. According to Hajli (2014a) with the growth of social networks on the internet, trust amongst users is needed to reduce perceived risks in purchase. Moreover, Hajli (2014a) state that social networks have improved the level of trust in online communities because of social interactions. When users participate in forums and reviews and read others' reviews about services and products, they become aware of the network which increases trust (Hajli, 2015). Sprecher, Treger and Wondra (2013) state that getting information disclosed from other users reduces suspicions and increases familiarity, which then leads to trust – while Tajvidi, Richard, Wang and Hajli (2018) state that buyers in social commerce depend more on friends' experiences and recommendations. Hajli (2014a), Akman and Mishra (2016) and Pavlou Fygenson (2006) indicate that trust has a strong effect on purchase intention. In addition, Ba and Pavlou (2002), Liu, Bao and Zheng (2019) reveal that trust has a positive and mediating influence on consumer purchase intent. Based on this discussion, H9 is formulated:

H9: Trust has a significant influence on millennial purchase intention in social commerce setting.

2.12 CONCLUSION

This chapter has outlined the evolution of electronic commerce and social media, until the arrival of social commerce development. It has examined key definitions of all the terms under investigation: s-commerce syntheses, empirical studies, millennial segment and their buying behaviour. It has reviewed previous studies of social commerce and identified knowledge gaps, and finally, it presented the propositions which were developed for the variables to be tested together with a sketch of the proposed model.

3 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter provides a thorough description of how the study was conducted. First, this section describes the research philosophy that was used, method and the design that was employed in the research. Subsequently, an explanation of how population was identified and sample was adopted. Finally, the chapter concludes by explaining the instruments that were used and data analysis employed.

3.2 RESEARCH PARADIGM

When conducting a research, an investigator should have an understanding of the paradigm to employ during the study. Moreover, Saunders, Lewis and Thornhill (2009) describe it as group of systems or beliefs about the formation of knowledge in a particular area of research. Furthermore, Creswell (2009: 6) describes it as a “*general orientation about the world and the nature of research that a researcher holds*” or a theory that involves the researcher’s epistemological, ontological, and methodological foundation (Denzin & Lincoln, 2000). Additionally, Cresswell (2009) defines it as an ideology of conducting research.

Based on Ngulube (2017), it helps the investigator to ascertain a gap in the research and to come up with objectives and questions to answer a research problem (Ngulube, 2017). While Saunders and Lewis (2016) suggest that there are five types of research philosophies - namely, realism, postmodernism, interpretivism, pragmatism and positivism - several authors have provided academic explanations for different ways of viewing philosophies (Saunders *et al.*, 2016; Guba, & Lincoln, 1994). For example, Guba and Lincoln (1994) put forward four types of paradigms, namely critical theory, constructivism, post-positivism and positivism, and; they later added a fifth paradigm: the participatory approach. Accordingly, Combs and Onwuegbuzie (2010) mentioned pragmatism philosophy, but they discredited positivism, regarding it as a poor way of referring to quantitative researchers, recommending post-positivism instead. Furthermore, Creswell (2009) also includes pragmatism but does not include critical theory or constructivism; as an alternative, they suggest critical theory is a qualitative method of research and not a research paradigm. This thesis adopted positivism as a suitable paradigm. Additionally, Cresswell (2009) summarises

positivism as a paradigm that relates to the rational belief of the researcher with aim to come up with generalisations.

Saunders *et al.* (2016) postulate that postmodernism emphasises the usage of language power connections that seek to research side-lined ways of thinking and views. Moreover, critical realism concentrates on the involvement of people and what they perceive and experience, through observations and based on reality (Saunders *et al.*, 2016). While 1994 Guba and Lincoln (1994) described critical theory as an overall term used to define a variation of philosophies like feminism, materialism, neo-Marxism, and participatory research in 1998, they - along with Cresswell (2009) - later referred to it as not a philosophy but a qualitative method.

Additionally, Johnson, Anthony and Onwuegbuzie (2004) propose that pragmatism inspires an examination of practical situations and is a technique to comprehend the principle of philosophical grounds to understand a real-world view. According to Babbie (2013), pragmatism should be classified as a method of investigating a research problem, and is not a research philosophy.

A positivist paradigm was deemed to be the most suitable philosophy employed for this study to engage social situations and to analyse consumer behaviour (Schiffman & Kanuk, 2007). The study aimed to examine the effect of trust, social commerce features, brand image, brand integrity, brand interaction, and brand identity on social commerce purchase intention. This paradigm was chosen, therefore, with the support of Saunders *et al.* (2016) who assert that in positivism, this thesis focused on philosophical attitudes through interpretations of social reality to come up with standardised generalisation. Furthermore, positivist paradigm was deemed suitable because, based on Guba (1998), it is accurate and correct as it can be evaluated practically through a quantitative technique that is focused to test hypotheses.

The variables that are listed before will be examined with respect to how they affect social reality in relation to millennials in South Africa. Then outcomes of will be used to establish standardised generalisation.

3.3 RESEARCH DESIGN

Research design can be defined as a plan that offers guidance to the investigator with aim to solve a research problem Ngulube (2017). Furthermore, Duffect (2014) explains it as a method or research or a blueprint that simplifies a way to address a question or problem. Saunders *et al.*

(2016), mentions that the design of a research can be classified into descriptive, explanatory, evaluative and exploratory. According to Cooper & Schindler (2011), the research design makes sure that the question is answered appropriately and in a valid systematic manner. “*Descriptive research usually employs a cross-section of a population*” (Duffett, 2014) – in this case millennials who reside in South Africa will share their observations of social commerce.

In terms of approach, the study aimed to use structural equation modelling to test interactions developed in the model (Hair *et al.* 2022; Hajli, 2015; Yahia *et al.*, 2018; Dash *et al.*, 2021; Hajli *et al.*, 2017). The study aimed to quantify the extent to which each factor drives the purchase intent in s-commerce development. The study was descriptive in nature and used self administered questionnaire surveys (Duffett & Wakeham, 2016) which was distributed on different online channels such as LinkedIn, Facebook, WhatsApp, LinkedIn, and via emails.

3.3.1 Research approach

There are three approaches that an investigator can select from when doing a research, that is qualitative, quantitative and mixed method (Leedy & Ormrod, 2014). suggest there are three approaches that an investigator can select from when doing a research, that is qualitative, quantitative and mixed method. Ngulube (2017) states that the research approach of interpretivism is qualitative, positivism is quantitative and mixed method employs both approaches. According to Myers (1997) qualitative approach was established to answer questions related to social and cultural phenomena, quantitative was utilised in science to research on natural realities. Cresswell (2014) define quantitative research as a technique used to evaluate theories through testing the relationship between variables. These variables can be tested accurately with a tool that enables the data to be gathered and studied in a statistical processes. Quantitative investigators discover the results in terms of statistics and mathematics and strive to come up with standardised realities. Following similar studies, this study was quantitative in approach (Wakeham; 2014; Dash *et al.*, 2021; Yahia *et al.*, 2018; Duffett & Wakeham, 2017; Hajli, 2015; Hajli, 2013; Bazi 2022; Ali *et al.*, 2020; Yusuf *et al.*, 2018; Liu *et al.*, 2018; Lee *et al.*, 2016). The study employed mathematical techniques to examine the factors that drive the social commerce purchase intention of millennials in South Africa. Saunders, Lewis and Thornhill (2012) declare that this approach is based on an understanding of the subject compared to an exploratory study where little is known about the subject.

3.3.2 Population

A population can be defined as the total number of representatives who meet the criteria to be counted in a study (Quinlan, 2011). The population of the study is all millennials (born 1980-1999) who are Facebook users in South Africa. Barrenblatch (2015) reveals that there are more than 10 million millennials in South Africa; most of them own smartphones, and a quarter of them have internet access and social networks. This is supported by Duffett and Wakeham (2017), who posit that Generation Y in South Africa is exposed to both the Internet and social media platforms. The study used the youth segment (Facebook consumers) who reside in the Western Cape. This is maintained by Duffett and Wakeham (2017), who state that nearly a million of the targeted group reside in the Western Cape. Gauteng province was chosen as a second region for the study because more than 3 million millennials reside in that province (Stats SA, 2022). Lastly, Gauteng and Western Cape were chosen because they are the provinces where the country's most economic activities occur.

3.3.3 Sample size

A sample of a study refers to the total number of people (or animals) who qualify to represent the entire population (Creswell, 2016). The sample size of this study was drawn from the millennials segment (born between 1980 and 1999) who are Facebook users in South Africa and who reside in the Western and Gauteng provinces. The sample size for this study was chosen based on the sample used in previous similar studies – rather than calculated using sample counting software. For example, Hajli's (2015) total number of valid respondents in the social commerce study was 243 in the USA; Hasson, Wrangmo and Soilen (2013) had 154 Facebook consumers in Sweden; Yang (2012) had 256 in Taiwan; Kodjamanis and Angelopoulos (2013) in the United Kingdom had 364 respondents on Facebook. Duffett and Wakeham (2016) state that the numbers of Facebook respondents differ from country to country depending on its developments and infrastructure. The current study received 261 valid respondents at the end of the data collection process, and it was deemed appropriate and sufficient. Hair *et al.* (2022) confirm that a sample of 250 is sufficient when running Smart PLS predictions.

3.3.4 Sampling method

The sample criteria of the study were millennials born between 1980 and 1999 (Stats SA, 2018). According to Bolton *et al.* (2013), Generation Y are predominant consumers of online developments and social medial platforms. This study made use of non-probability convenience on probability sampling, targeted at the Western Cape and Gauteng province. Furthermore, for the same reason given by Dash *et al.* (2021), these provinces have urban areas where many respondents reside; Johannesburg in Gauteng and Cape Town within the Western Cape are major hubs of buying and selling.

3.3.5 Data collection method

A questionnaire was distributed online through Facebook, WhatsApp, LinkedIn, and email. This data collection method was employed because, unlike focus groups and interviews, it allows participants to answer the questions freely and to give the details without withholding anything that will be useful for the study - and this improves the credibility of data (Saunders *et al.*, 2016). As a pilot test was conducted to ensure the reliability of the survey, it was assumed that the respondents would understand the terms and meanings of all the variables and items on the questionnaire (Dash *et al.*, 2021). After the survey was distributed, the respondents were given some time to respond, to optimise the numbers of responses. The data was collected in April 2022 and all the respondents were given 3 weeks. However, due to scarcity of respondents, the data was collected until August 2022.

3.3.6 Research instrument

The study used self-administered questionnaires as a data collection method because they allow the researcher to collect and interpret data statistically (Saunders *et al.*, 2016). Moreover, questionnaire items were adapted from Yahia *et al.* (2018) and Dash *et al.* (2021). The questionnaire (given in Appendix A) started with screening questions to ensure that each respondent qualified to participate in the study. All the respondents were asked if they were born between 1980 and 1999 to ensure that they fall within the millennial segment. Secondly, they were asked whether they resided in either the Western Cape or Gauteng province and further indicated their province for statistical purposes. Respondents were asked about their familiarity with Facebook's social commerce Marketplace.

Thereafter, ten variables were asked with different items. Variables such as price, platform reputation, product differentiation, reviews and ratings, and trust were adapted from Yahia *et al.* (2018). The brand identity, brand image, brand integrity and brand interactions were adapted from Dash *et al.* (2021). Both Yahia *et al.* (2018) and Dash *et al.* (2021) included the purchase intent construct, and this variable was measured on a four-item scale. The questionnaire consisted of only one open-ended question (age), with most of the questions using a 7-point Likert scale, where 1 meant 'strongly disagree' and 7 meant 'strongly agree'. Lastly, age, race, and gender were asked at the end of the questionnaire.

3.3.7 Data Cleaning

Data were collected from two provinces (Western Cape and Gauteng). Of the 279 responses received, 18 were excluded as they were not even 30% complete. Thereafter, the location of the respondents were checked to ensure that they were from the two targeted provinces. Lastly, the ages of the respondents was checked and all were found to be within the millennial age (i.e. born between 1980 and 1999). A sample of 261 remained and was used for this study.

3.4 DATA ANALYSIS

The process of describing, analysing, interpreting, and concluding is known as data analysis (Quinlan, 2011). The quantitative technique involves using mathematical tools and statistical methods to explain the findings that emerge from data that has been collected (Babbie, 2013). Saunders *et al.* (2016) notes that a statistical technique is needed for a quantitative study to measure accepted or rejected hypotheses.

Firstly, self-administered responses were received in Qualtrics and downloaded as an Excel spreadsheet to transfer the data to Smart PLS 4. Then, in agreement with Hajli (2015), Dash *et al.* (2021) and Yahia *et al.* (2018), this study used Structural Equation Modelling (SEM) with Partial Least Square (PLS) with Smart PLS version 4 to test the proposed model. In addition, SEM-PLS is suitable for empirical prediction-focused research like the current study (Hair *et al.*, 2017; Hair *et al.*, 2022). Furthermore, Unlike first-generation modelling - such as regression modelling that can only measure the relationship between the independent variable(s) and dependent variable(s), such as the effect of construct A on B - SEM allows the investigator to assess multiple relationships such as the influence of variable A on B which leads to C (Hair , Hult, Ringle, Sarstedt, Danks & Ray, 2022). The model enables the interpretation of structural paths and hypotheses validation. Chinomona and Surujal (2012) declare that Smart-PLS has become a significant statistical software for studying structural models that entail several variables.

Using Smart-PLS, the relationship between variables such as price, product differentiation, reviews and ratings, and product reputation was measured on how they affect trust; and that of trust, brand identity, brand image, brand integrity, and brand interaction on purchase intention within the Facebook setting. First, the relationship between the variables was assessed with trust as a mediator of social commerce characteristics; then a multi-group analysis was conducted using the two provinces chosen for the study. This is one of the techniques that investigators employ to test whether there are there any indirect relationships between variables in research (Hair *et al.*, 2017; Hair *et al.*, 2022). The study performed the mediating test using Smart-PLS 4. Trust was the mediator used in this study. Furthermore, the study employed a multi-group analysis technique to ascertain any differences between the two provinces chosen for the study. Hair *et al.* (2022) and Henseler *et al.* (2015) explain that a multigroup analysis is a fundamental technique for researchers

to compare data outcomes using one or more groups. This enabled the researcher to identify the statistical differences in social commerce behaviour within two South African regions.

Hajli (2015) suggests that several approaches can be used to assess the consistency of a survey. In PLS SEM it is recommended that to calculate reliability, accepted values of Cronbach's alpha should be more than 0.7 (Hair *et al.*, 2022; Hajli, 2015; Yahia *et al.*, 2018; Hair *et al.*, 2017). In addition, the reliability was tested through loadings, and validity was tested using average variance extracted with a threshold of above 0.5 (Hensler *et al.*, 2015). Furthermore, three approaches of convergent validity were tested: Fornell Lacker criterion; cross-loadings; and Heterotrait-monotrait ratio of correlation (HTMT) were assessed and all met their required threshold. Following Hajli (2015), the respondents during the pilot test were asked to verify if the questions and scale were vague/ unclear. University students and lecturers at a higher education institution were the pilot respondents and were asked to help with, and produce suggestions for, the wording. The researcher edited the questionnaire to improve standard and accessibility (see Appendix A).

3.5 ETHICAL CONSIDERATION

The study followed an ethical standard evaluation of the university. Before respondents were contacted, the researcher applied for ethical clearance under the Commerce Faculty at the University of Cape Town. Only once the ethical clearance certificate had been received was the questionnaire and cover letter distributed. Furthermore, the respondents were notified that they have a right to withdraw from participating at any time when completing their survey. Lastly, the survey cover letter mentioned that all the responses would be used for the purpose of this study and that all the responses would be kept secret and anonymous.

3.9 CONCLUSION

This chapter outlined the methodology of the study. It described the research paradigm, design, approach and research instruments, as well as the data analysis techniques employed for the study. Lastly, the process for ethical approval was explained.

4 PRESENTATION OF RESULTS

4.1 INTRODUCTION

This chapter provides a quantitative presentation of the data that were collected for this study. Data were collected from Facebook users who reside in two provinces in South Africa, namely Gauteng and Western Cape. The chapter begins with the demographic profile of the participants. This is followed by the reliability and validity tests, and the path model. Lastly, hypotheses are tested using Smart-PLS version 4.

4.2 DESCRIPTIVE STATISTICS

When researchers use descriptive statistics, they aim to analyse data received from the targeted participants of the study (McCarthy, 2019). According to Holcomb (2016), the investigator employs this method to analyse and summarise data. This technique enables the investigator to arrange, organise and demonstrate the demographics of the participants who were targeted for the research, typically in quantitative research (Hair *et al.*, 2017). Analysed using MS Excel, the descriptive method provides a demographic summary of the research participants.

4.2.1 Demographics of the participants

The following tables present the demographic description of the 261 respondents of the study with respect to race, followed by gender and then age groups.

Table 3: Respondents' racial profile - by region

Race	Western Cape		Gauteng		Total	
Black	116	89%	68	52%	184	71%
Coloured	7	5%	26	20%	33	12%
White	2	1%	20	15%	22	8%
Indian	6	5%	15	12%	21	8%
Prefer not to say	0	0%	1	0%	1	0%
Grand Total	131	100%	130	100%	261	100%

Source : Calculated from questionnaire results (2023)

Table 5 shows that there were 131 participants from Gauteng and 130 from Western Cape province.

According to Stats SA (2022), in 2022 there were 49 million black people in South Africa, followed by 5.3 million coloured; there were 4.6 million white people and 1.5 million Indians. This is echoed in the racial profiles of the survey respondents - the majority of whom (71%) were black, followed by 12% classified as coloured. Indian people were slightly over-represented at 8% - the same proportion as white respondents.

Table 4: Respondents' gender profile - by region

Gender	Western Cape		Gauteng		Total	
Female	70	53%	66	51%	136	52%
Male	61	47%	62	48%	123	47%
Prefer not to say		0%	2	1%	2	1%
Grand Total	131	100%	130	100%	261	100%

Source: Calculated from questionnaire results (2023)

Again the profile of survey respondents mirrors the Stats SA (2022) data which indicate that there are 51.1% females and 49.9% millennials in the country - while the gender profile of respondents overall was 52% female and 47% male – with a slightly higher proportion of females in the Western Cape (53%) than in Gauteng (51%).

Only two individuals (in Gauteng) preferred to not disclose their gender.

Table 5: Respondents' age - by region

Age Group	Western Cape		Gauteng		Total	
Age 22-24	46	35%	58	44%	104	40%
Age 25-34	64	49%	54	43%	118	45%
Age 35-43	20	15%	18	13%	38	15%
Prefer not to say	1	1%		0%	1	0%
Total	131	100%	130	100%	261	100%

Source : Calculated from questionnaire results (2023)

Respondents were asked if they were 'born between 1980 and 1999' – when Millennials / Generation Y were born. At the end of the questionnaire, they were asked how old they were. The one person who did not disclose their age had indicated that they were born between 1979 and 1999.

4.2.2 Questionnaire descriptive statistics

In this section, the descriptive results of each measurement item are presented and each variable is listed. Seven-point Likert scale results are graphically presented. The items are displayed under their latent variable price, platform reputation, product differentiation, reviews and ratings, trust, brand identity, brand image, brand reputation, brand interaction, and purchase intention, respectively.

Proportion of millennials who indicated that prices on Facebook Marketplace are reasonable (N=261)

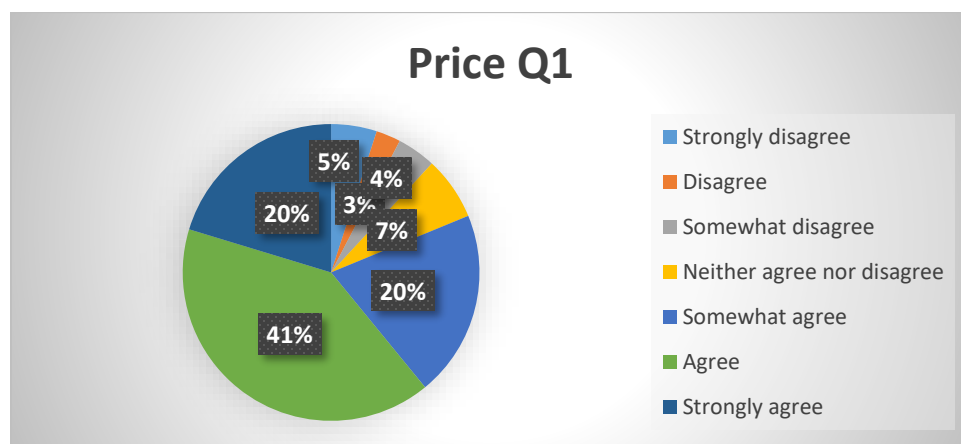


Figure 7: Price (Q1)

Source: Calculated from questionnaire results (2023)

More than 80% of millennials agree that prices on the Facebook Marketplace are reasonably priced. As indicated in the figure, 41% (n=106) ‘agree’ with the statement above, followed by 20% (n=53) for both ‘strongly agree’ and ‘somewhat agree’.

12% (n=7) did not agree - being ‘disagree’ = 3% (n=7), ‘somewhat disagree’ = 4% (n=11), and strongly disagree = 5% (n=13) and 7% (n=18) of the respondents were neutral.

Proportion of millennials who indicated that products on the Facebook Marketplace are good value for the money (N=261)

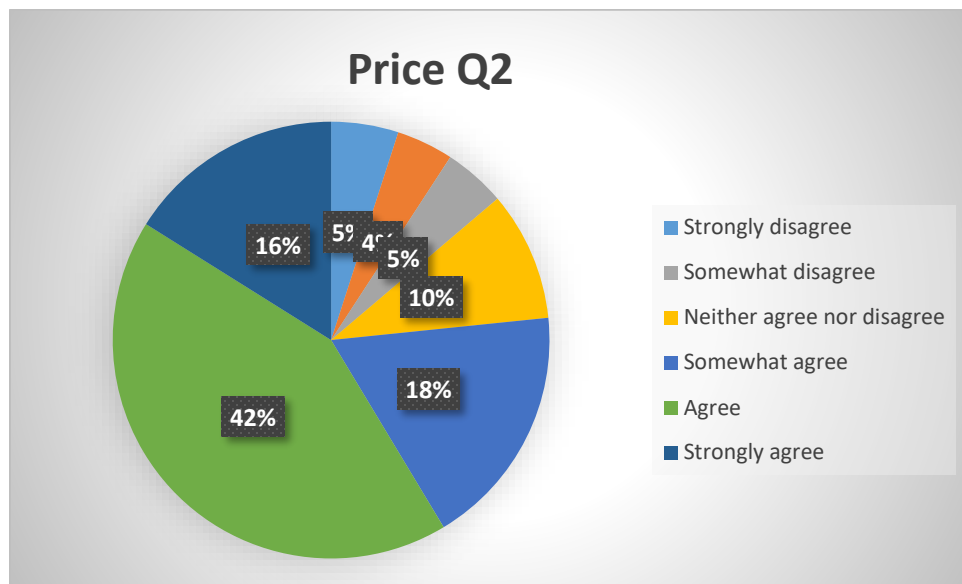


Figure 8: Price (Q2)

Source: Calculated from questionnaire results (2023)

Over three quarters (76%) of the millennial respondents perceive products on the Facebook Marketplace as being good value for money. The figure above shows that of the majority of respondents, 42% (n=111) ‘agree’, 18% (n=47), ‘somewhat agree’ and 16% (n=42) ‘strongly agree’ with the above statement.

The minority of respondents indicated ‘somewhat disagree’ 5% (n=12), disagree 4% (n=11), and ‘strongly disagree’ 5% (n=13) – while 10% (n=25) were neutral.

Proportion of millennials who indicated products on the Facebook Marketplace are cheaper than the ones found elsewhere (N=261)

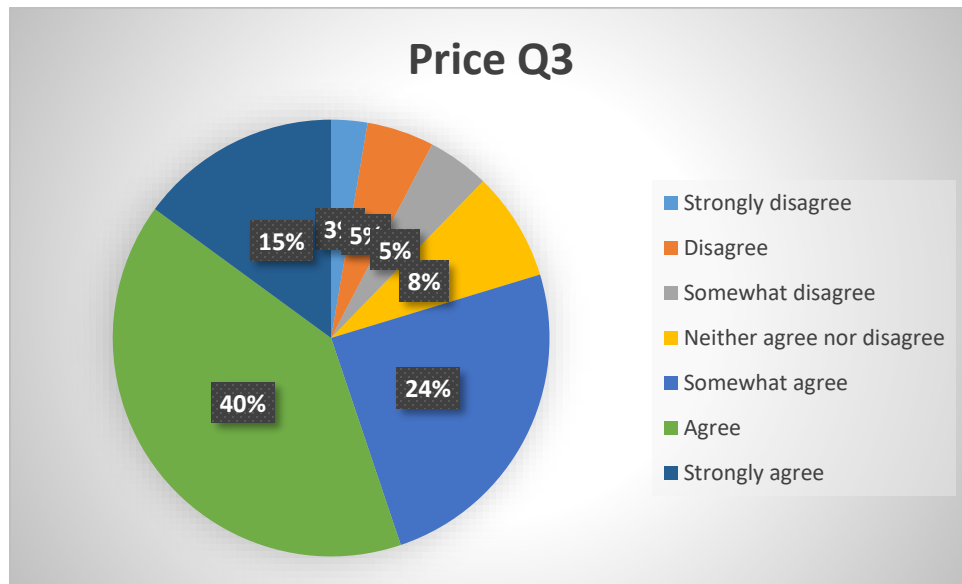


Figure 9: Price (Q3)

Source: Calculated from questionnaire results (2023)

Almost 80% of South African millennial respondents believe that products that are sold on the Facebook Marketplace are cheaper than those found elsewhere.

The above figure shows that 40% (n=105) ‘agree’, 24% (n=64); ‘somewhat agree’ and 15% (n=64) ‘strongly agree’ with the statement above.

The rest of the respondents indicated neutral 8%, while ‘somewhat disagree’ = 5% (n=12), ‘disagree = 5% (n=13) and strongly disagree = 3% (n=7).

4.2.3 Platform reputation

**Proportion of millennials who indicated Facebook Marketplace purchasing is reliable
(N=261)**

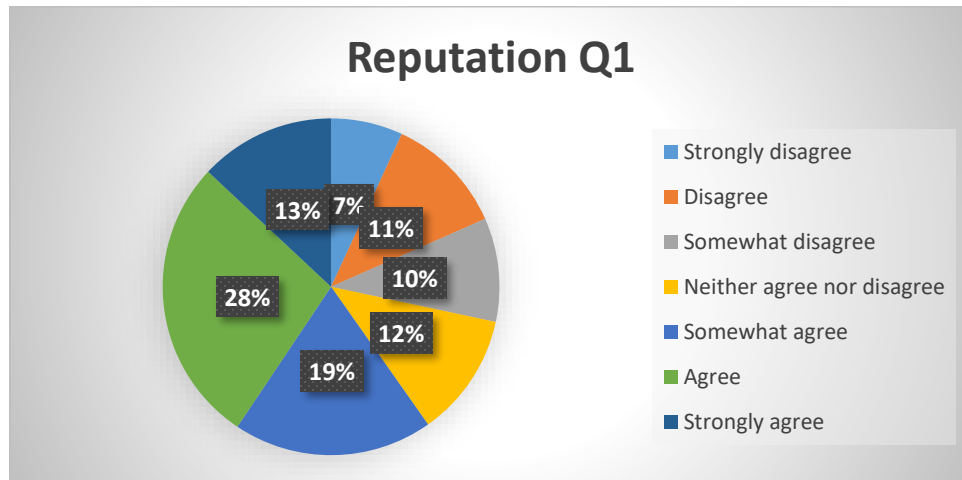


Figure10: Platform reputation (Q1)

Source: Calculated from questionnaire results (2023)

The majority of millennial respondents (60%) perceive products on the Facebook Marketplace as reliable.

As indicated in the figure above, 28% (n=72) 'agree', 19% (n=50) 'somewhat agree' and 13% (n=34) 'strongly agree' with the above statement.

28% did not agree with the statement – being 'somewhat disagree' = 10% (n=26), 'disagree' = 11% (n=30), and 'strongly disagree' = 7% (n=18).

A minority of the respondents indicated they were neutral 12% (n=31).

Proportion of millennials who indicated Facebook site could be trusted (N=261)

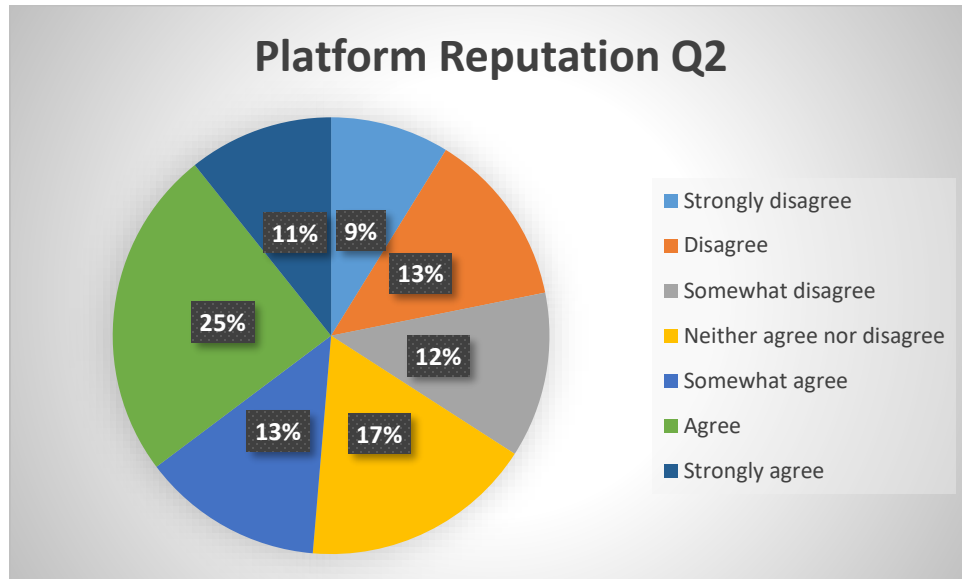


Figure 11: Platform reputation (Q2)

Source: Calculated from questionnaire results (2023)

Almost half of the millennial respondents (49%) were inclined to agree that they trust the Facebook Marketplace. The figure above shows that 25% (n=64) 'agree', 13% (n= 33) 'somewhat agree' and 11% (n=23) 'strongly agree' with the statement.

While 17% indicated neutral (n=45), a third (34%) did not agree – being 13% (n=34) who 'disagree', 12% (n=32), 'somewhat disagree' and 9% (n=23) who 'strongly disagree'.

Proportion of millennials who indicated that they feel secure when they buy on Facebook Marketplace because they know that it will never let them down (N=261)

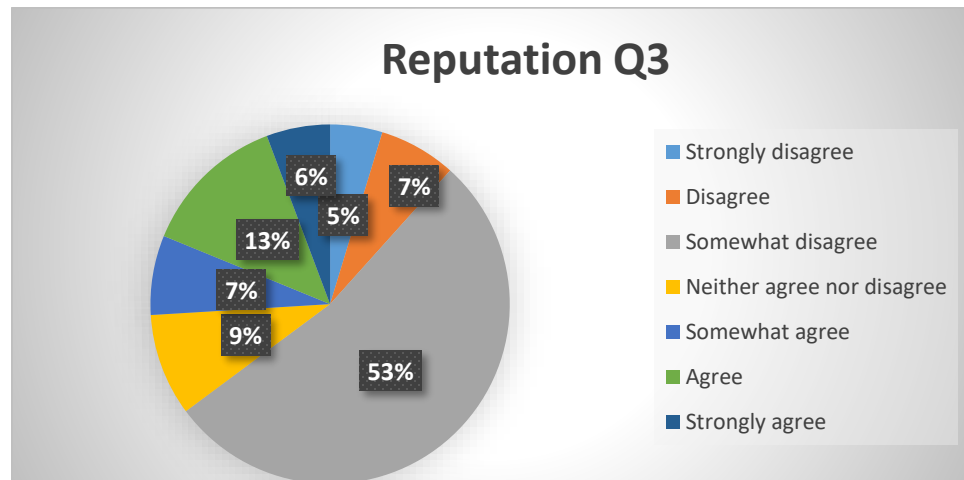


Figure 12: Platform reputation (Q3)

Source: Calculated from questionnaire results (2023)

Nearly two thirds (65%) of millennial respondents do not agree that they feel secure in the Facebook Marketplace.

More than half - 53% (n=138) – indicated that they ‘somewhat disagree’ with the above statement – plus 7% (n=18) who ‘disagree’ and 5% (n=13) who ‘strongly disagree’.

9% (n=24) were neutral, while a total of 26% agreed to some degree – being 6% (n=17) who ‘strongly agree’, 13% (n=34) who ‘agree’, 7% (n=18) who ‘somewhat agree’ with the statement.

**Proportion of millennials who indicated that Facebook site
would be honest and truthful to them (N=261)**

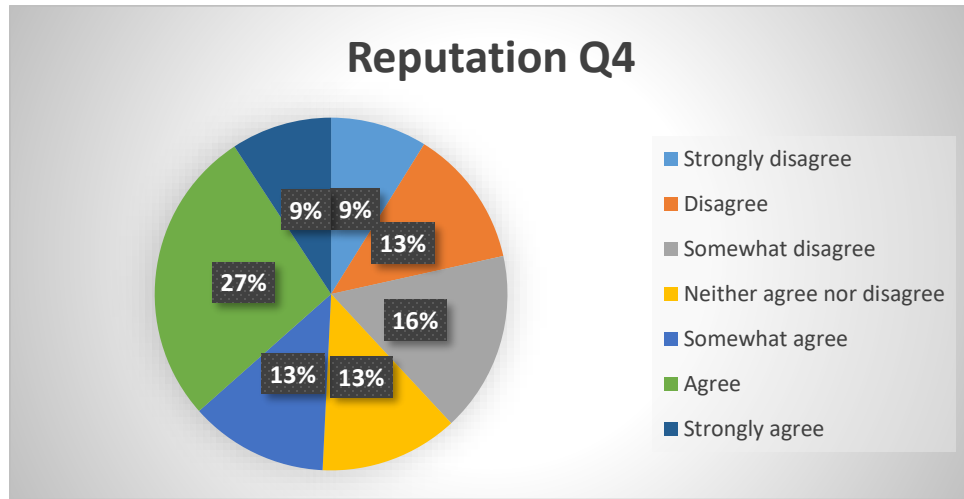


Figure 13: Platform reputation (Q4)

Source: Calculated from questionnaire results (2023)

Just under a half of the millennial respondents (49%) tended to agree that they believe the Facebook Marketplace is honest and truthful to them. As shown in the figure above, 27% (n=71) of the respondents indicated 'agree', 9% (n=24) strongly agreed and 13% (n=33) 'somewhat' agreed.

38% disagreed: 16% (n=56) said they 'somewhat disagree', 13% (n= 33) 'disagree', and 9% (n=24) 'strongly agree' with the above statement. 13% (n=33) were neutral.

4.2.4 Product differentiation

Proportion of millennials who indicated Facebook Marketplace offers products that cannot be found elsewhere (N=261)

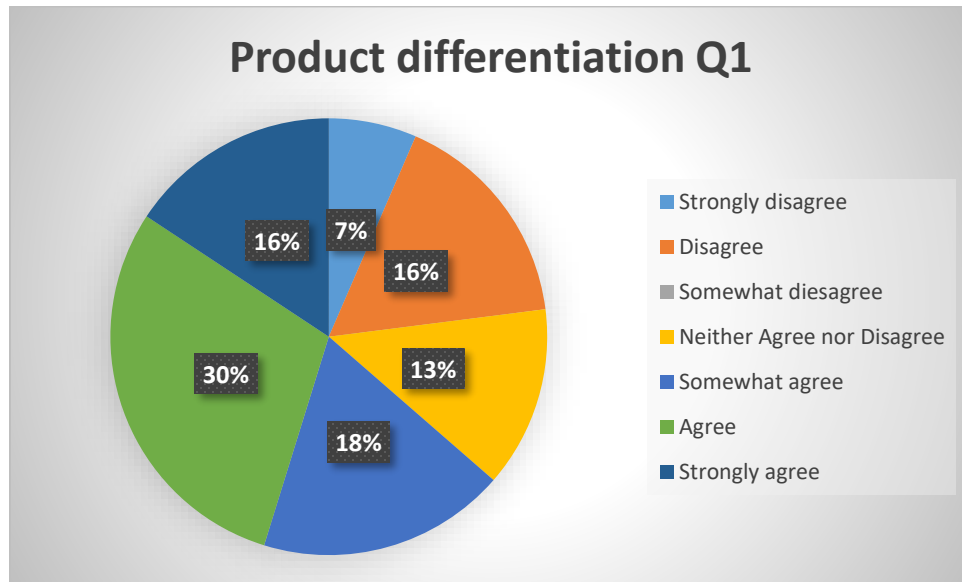


Figure 14 : Product differentiation Q1

Source : Calculated from questionnaire results (2023)

Nearly two thirds (64%) of the millennials believe that the Facebook Marketplace offers products they cannot find elsewhere. As indicated in the figure, 30% (n=77) indicated that they 'agree' followed by 'somewhat agree' 18% (n=48), and 'strongly agree' 16% (n=41) with the statement mentioned above.

13% (n=35) indicated neutral, while nearly a quarter (23%) did not agree, being 16% (n=43) who 'disagreed' and 7% (n=17) 'strongly disagreed'. No-one 'somewhat disagreed'.

**Proportion of millennials who indicated Facebook Marketplace sellers
give them an opportunity to get unique products (N=261)**

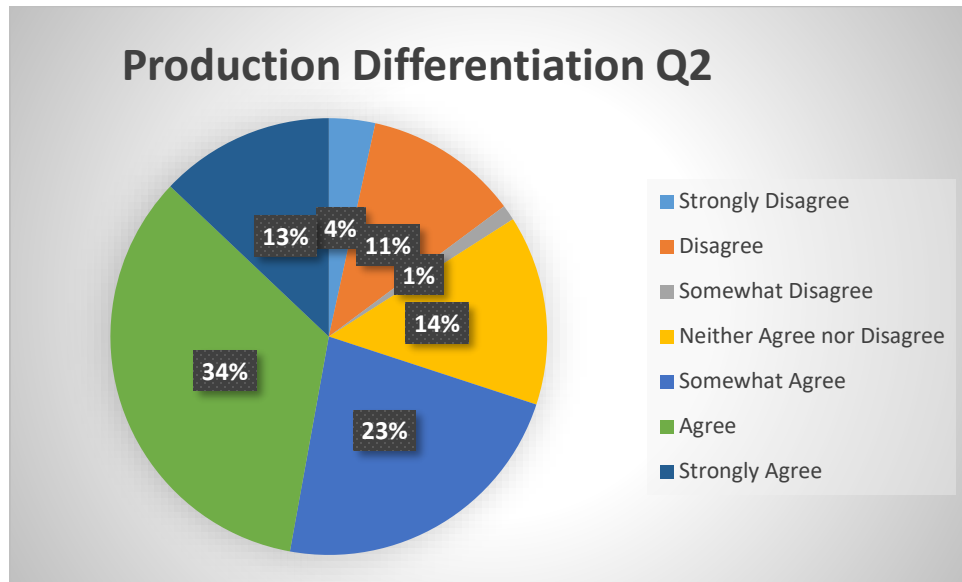


Figure 15 : Product differentiation Q2

Source : Calculated from questionnaire results (2023)

70% of millennial respondents believe that the Facebook Marketplace allows them to get unique products. The above figure shows that 34% (n=91) of the respondents indicated that they ‘agree’, 23% (n=61) ‘somewhat agree’, and 13% (n=34) ‘strongly agree’ with the statement.

While 14% (n=37) of the respondents were neutral, 15% did not agree. (11% (n=30) ‘disagreed’, 4% (n=9) ‘strongly disagreed; and only 1% (n=4) ‘somewhat disagree’ with the statement.)

Proportion of millennials who indicated Facebook Marketplace vendors generally offer extraordinary and high-quality products than traditional stores (N=261)

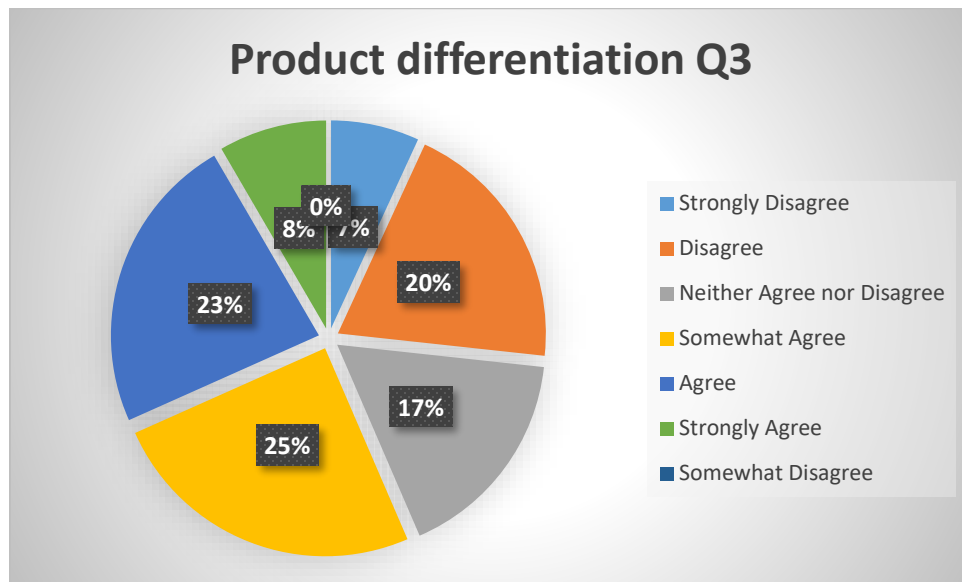


Figure 16 : Product differentiation Q3

Source : Calculated from questionnaire results (2023)

56% of millennial respondents believe that vendors on the Facebook Marketplace offer extraordinary products than traditional stores. The above chart shows that 23% indicated (n=61) indicated that they agree and 25% (n=65) that they ‘somewhat agree’ – while 8% (n=22) ‘strongly agree’.

Just over a quarter did not agree: 20% (n=52) indicated ‘disagree’ and 7% (n=18) ‘strongly disagree’. None indicated ‘somewhat disagree’.

17% (n=46) were neutral on this issue.

**Proportion of millennials who indicated reviews and ratings
about Facebook Marketplace sellers have many followers (N=261)**

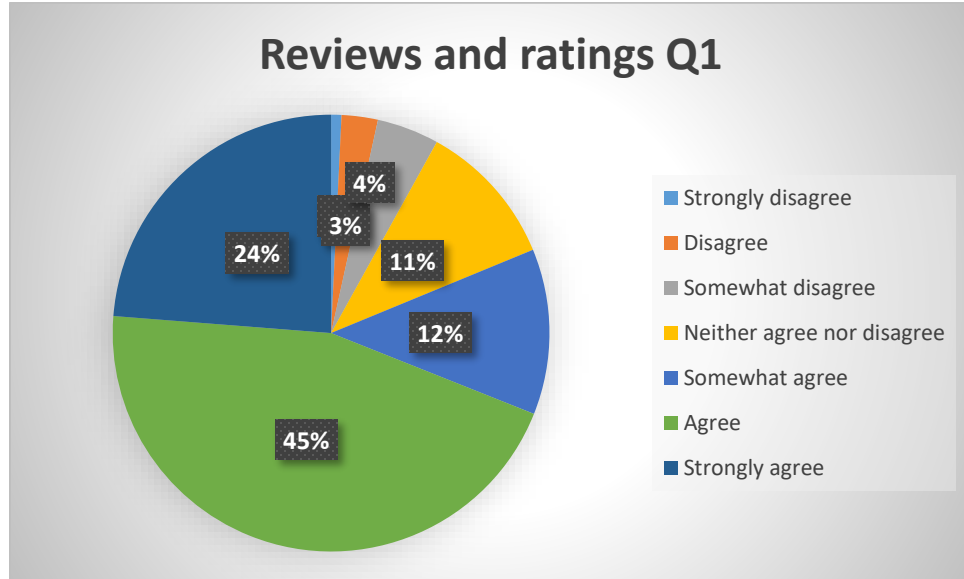


Figure 17 : Reviews and ratings Q1

Source: Calculated from questionnaire results (2023)

81% of the millennials respondents in South Africa believe that Facebook sellers on the Marketplace have many followers. The above figure shows that 45% (n=122) ‘agree’, 24% (n=62) ‘strongly agree’ and 12% (n=32) ‘somewhat agree’ with the above-mentioned statement.

8% did not agree to some extent: 3% (n=7) ‘disagreed’, 4% (n=12) ‘somewhat disagreed’ and 1% (n=2) ‘strongly disagreed’. 11% (n=28) were neutral.

Proportion of millennials who indicated Facebook Marketplace sellers receive many likes on their products (N=261)

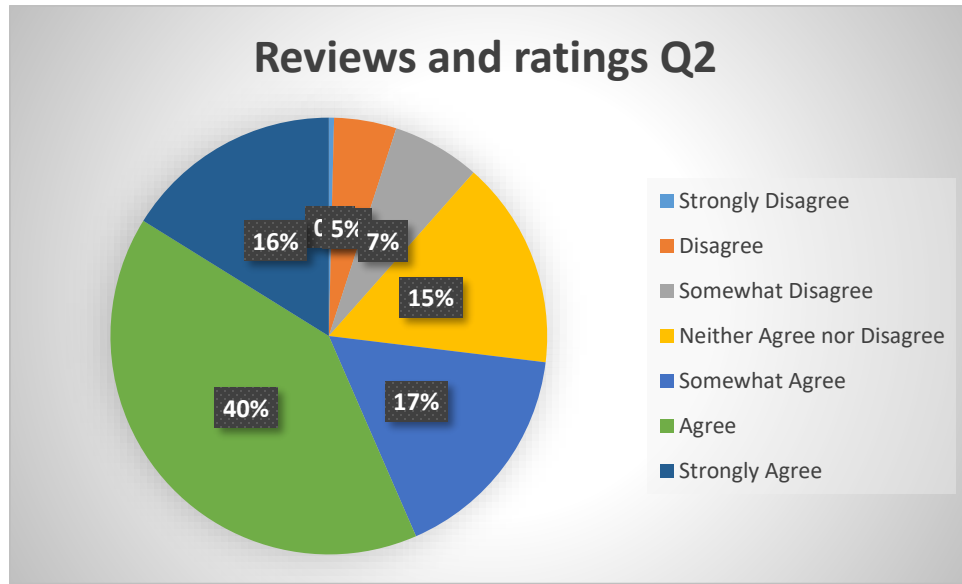


Figure 18 : Reviews and ratings Q2

Source: Calculated from questionnaire results (2023)

Nearly three quarters (73%) of millennial respondents indicated that they do notice that Facebook Marketplace sellers have many likes on their products. As indicated in the figure above 40% (n=106) ‘agree’, 17% (n=42) ‘somewhat agree’ and 16% (n=44) ‘strongly agree’ with the above statement.

In addition, 15% (n=42) are neutral while 12% did not agree – being 5% (n=12) who ‘disagree’ and 7% (n=17) who ‘somewhat disagree’. No-one ‘strongly disagreed’.

**Proportion of millennials who indicated their friends
recommend Facebook Marketplace sellers (N=261)**

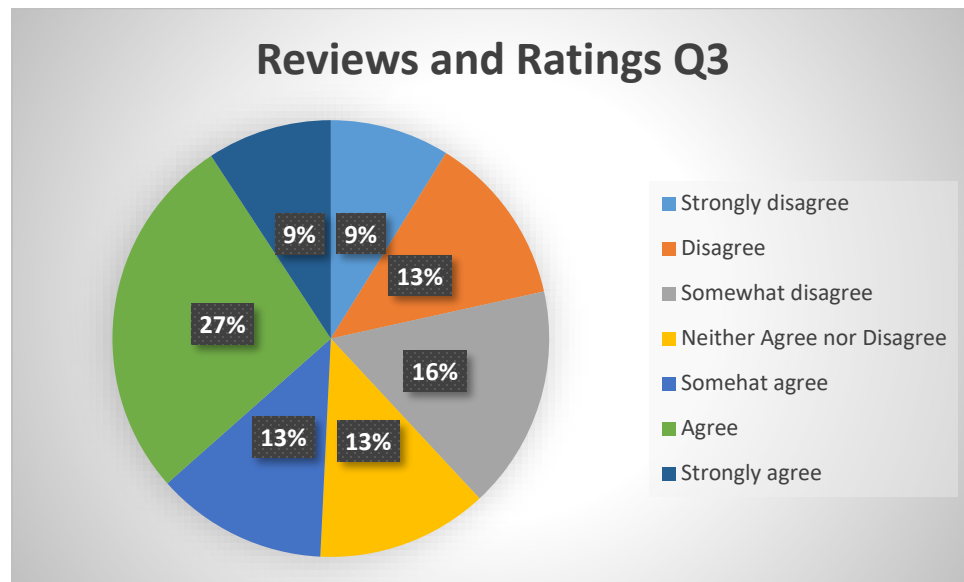


Figure 19 : Reviews and ratings Q3

Source: Calculated from questionnaire results (2023)

Nearly half (49%) of the millennial respondents in South Africa visited Facebook Marketplace because their friends recommended it to them. The above figure shows that 27% (n=71) 'agree', 13% (n=33) 'somewhat agree' and 9% (n=24) 'strongly agree' with the statement.

Just over a third (38%) disagreed – being somewhat disagree = 16% (n=43), disagree = 13% (n=33) and strongly disagree = 9% (n=23).

13% (n=33) 'neither agreed nor disagreed'.

**Proportion of millennials who indicated reviews
are good about Facebook Marketplace vendors (N=261)**

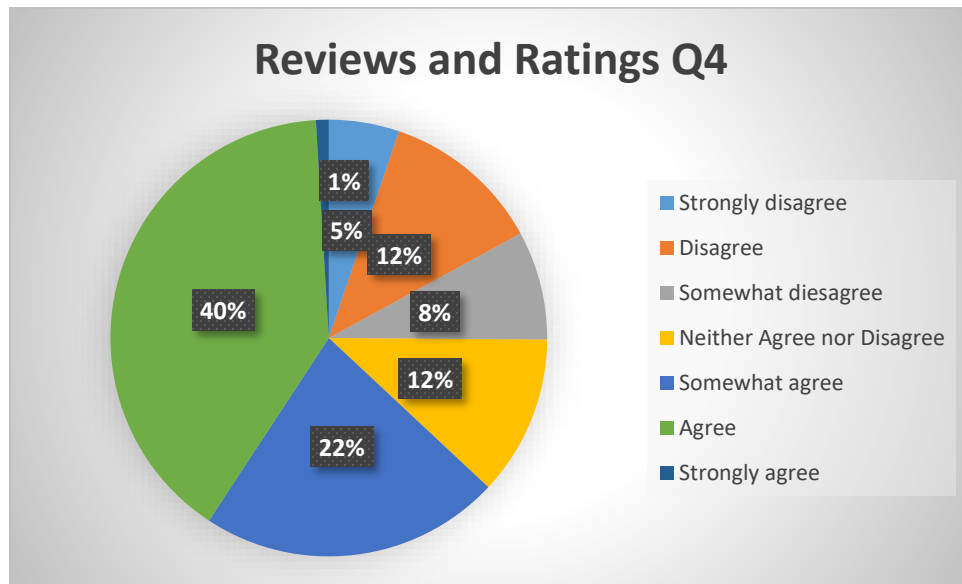


Figure 20 : Reviews and ratings Q4

Source: Calculated from questionnaire results (2023)

Nearly two thirds (63%) of the South African millennial respondents perceive Facebook Marketplace reviews as good. The above chart shows that 40% (n=84) ‘agree’ with the above statement, followed by those who indicated ‘somewhat agree’ 22% (n=47) and ‘strongly agree’ 1% (n=2).

The figure further shows that a quarter (25%) disagreed - being 8% (n=17) who indicated that they ‘somewhat disagree’, 12% (n=25) who ‘disagree’ and 5% (n=11) who ‘strongly disagree’. 12% (n=25) indicated that they were neutral.

4.2.5 Trust

Proportion of millennials who indicated Facebook Marketplace sellers should be trusted (N=261)

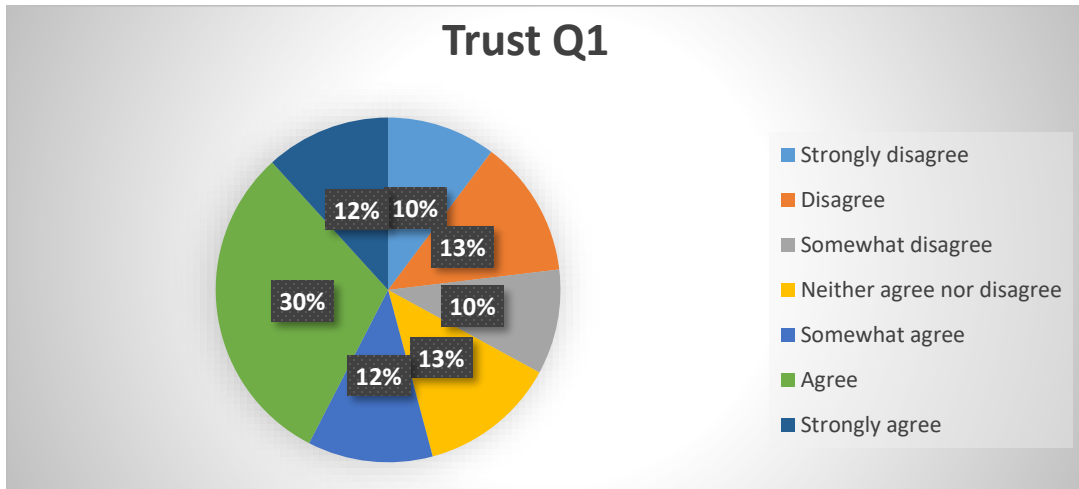


Figure 21 : Trust Q1

Source: Calculated from questionnaire results (2023)

Just over half (54%) of the millennial respondents in South Africa indicated that the sellers on the Facebook Marketplace should be trusted. This is indicated in the figure where 12% (n=31) 'strongly agree', 30% (n=81) 'agree' and 12% (n=31) 'somewhat agree' with the statement. However a third (33%) disagreed to some extent: 13% (n=34) 'disagree', 10% (n=26) 'somewhat disagree' while another 10% (n=27) 'strongly disagree'. 13% (n=34) 'neither agreed nor disagreed'.

Proportion of millennials who indicated that sellers on the Facebook Marketplace are reliable (N=261)

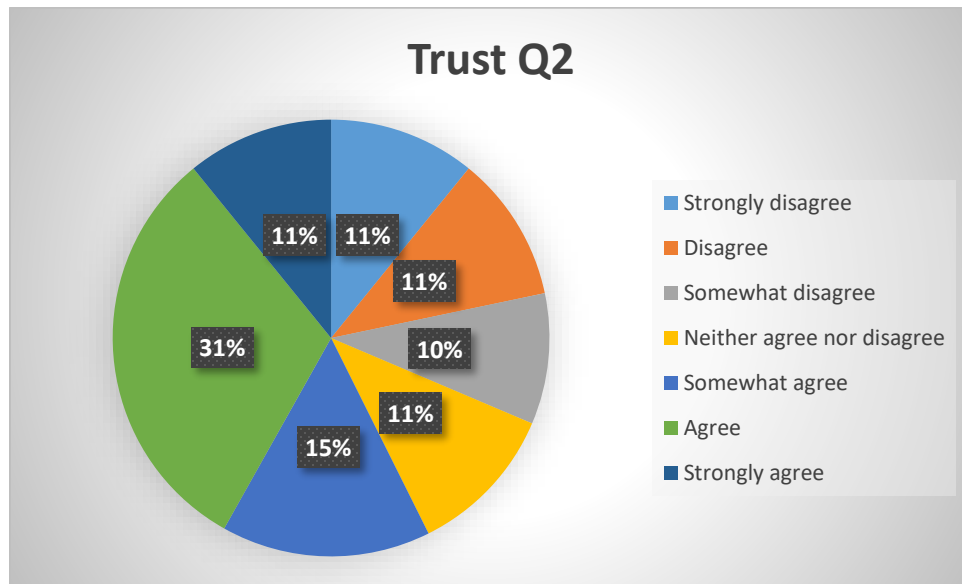


Figure 22 : Trust Q2

Source: Calculated from questionnaire results (2023)

Over half (56%) of the millennial respondents indicated that the sellers on the Facebook Marketplace are reliable. This comprises 31% (n=80) who 'agree', 14% (n=40) who 'somewhat agree' and 11 % (n=28) who 'strongly agree' that the Facebook Marketplace is reliable.

A third did not think so, however: 10% (n=25) 'somewhat disagree', 11% (n=28) 'disagree' and 11% (n=28) 'strongly disagree'. 11% (n=29) were neutral.

**Proportion of millennials who indicated that sellers on the Facebook Marketplace
would be honest and truthful to them (N=261)**

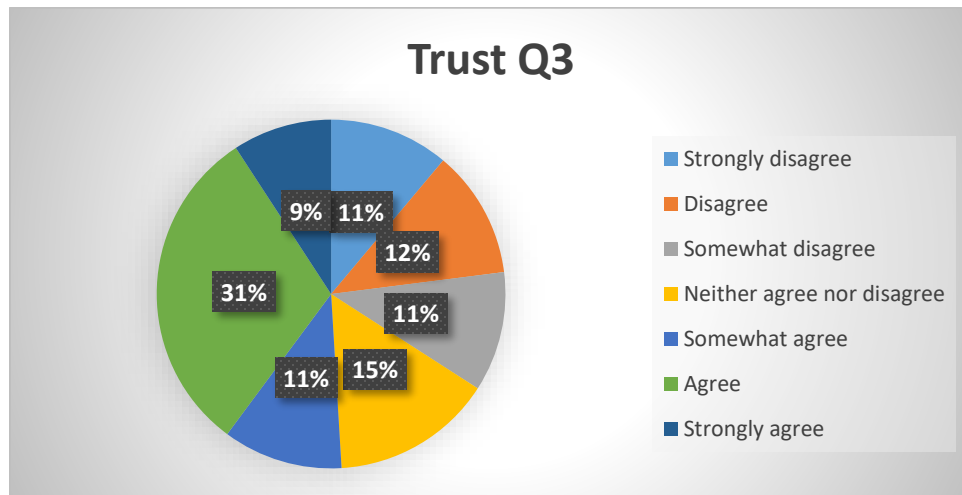


Figure 23 : Trust Q3

Source: Calculated from questionnaire results (2023)

Facebook Marketplace is perceived to be truthful by just over half (53%) of the millennial respondents. This is indicated in the chart above, where 31% (n=80) ‘agree’ with the statement while 11% (n=24) indicated they ‘strongly agree’ and 11% (n=29) ‘somewhat agree’.

A third (34%) did not perceive Facebook Marketplace to be truthful: 12% (n=31) ‘disagree’, 11% (n=29) ‘somewhat disagree’ and 11% (n=29) ‘strongly disagree’. Lastly, 15% (n=39) indicated they were neutral.

4.2.6 Brand identity

Proportion of millennials who indicated the brand design of products they have seen on Facebook Marketplace seems okay to them (N=261)

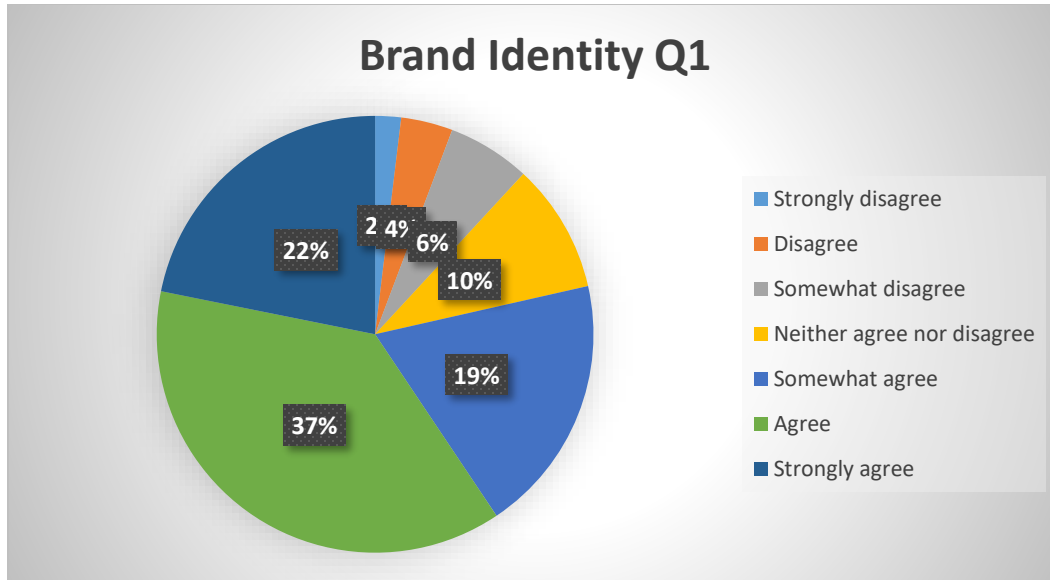


Figure 24: Brand identity Q1

Source: Calculated from questionnaire results (2023)

Just over three quarters (78%) of millennial respondents believe that products from the Facebook Marketplace seem good to them. The above chart shows that 37% (n=98) 'agree', 22% (n=22) 'strongly agree', and 19% (n=50) 'somewhat agree' with the above statement.

Only 16% did not agree to some extent – being 10% (n=16) who 'somewhat disagree', 4% (n=10) who 'disagree' and 2% (n=5) who 'strongly disagree' and 10% (n=25) 'neither agreed or disagreed'.

Proportion of millennials who indicated that the brands that they have seen on the Facebook Marketplace seem stylish to them (N=261)

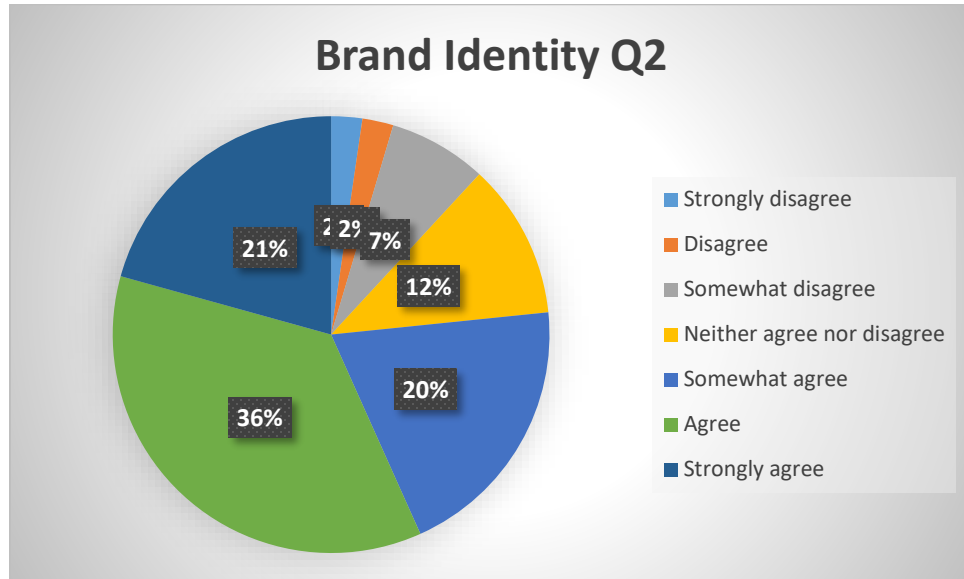


Figure 25: Brand identity Q2

Source: Calculated from questionnaire results (2023)

Just over three quarters (77%) of millennials perceive the design of products they see on the Marketplace to be stylish to them. As shown in the figure, 36% (n=94) 'agree' with the above statement, followed by 21% (n=54) who 'strongly agree' and 20% (n=52) who 'somewhat agree'. 18% did not agree with the statement – being 12% (n=19) who 'somewhat disagree', 4% (n=6) who 'disagree' and 2% (n=6) who 'strongly disagree' with the statement and 12% (n=30) were neutral.

Proportion of millennials who indicated that brands that they have seen on the Facebook Marketplace have a good reputation (N=261)

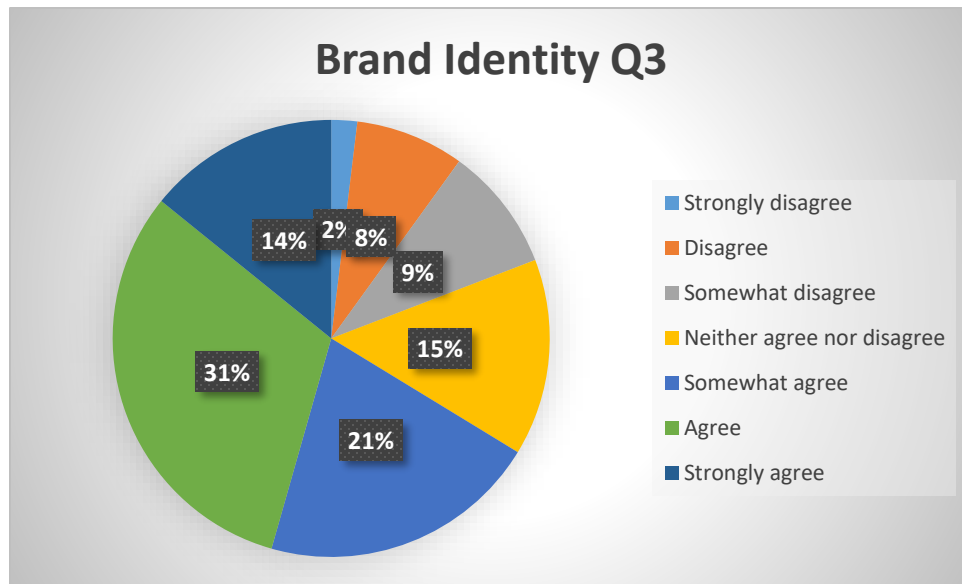


Figure 26: Brand identity Q3

Source: Calculated from questionnaire results (2023)

Two thirds (66%) of millennials perceive that the products they see on the Facebook Marketplace have a good reputation. This is seen in the above chart which shows that 31% (n=82) ‘agree’, 21% (n=54) ‘somewhat agree’ and 14% (n=37) ‘strongly agree’ with the statement.

19% do not agree: 9% (n=24) ‘somewhat disagree’, 8% (n=21) ‘disagree’ and 2% (n=5) ‘strongly disagree’ with the statement. The rest of the respondents 15% (n=38) indicated they were neutral.

4.2.7 Brand image

Proportion of millennials who indicated brands they have encountered on Facebook Marketplace have some unique elements (N=261)

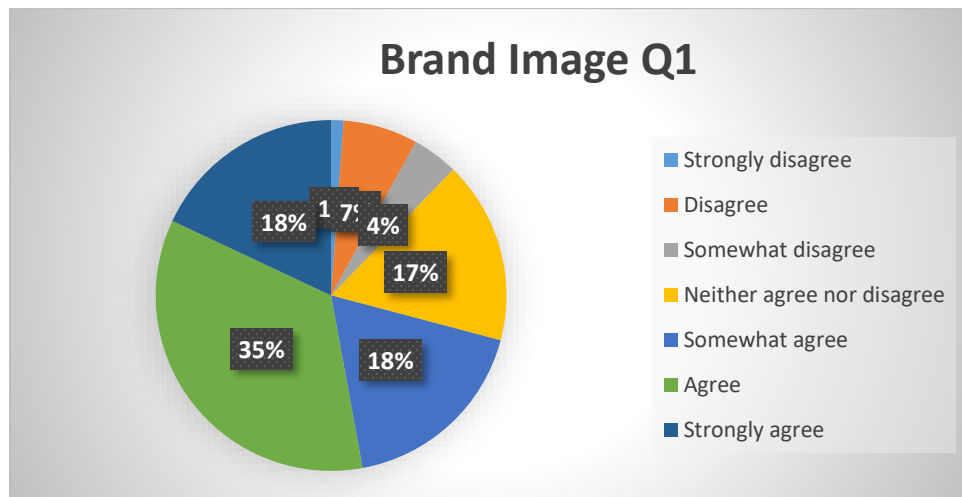


Figure 27: Brand image Q1

Source: Calculated from questionnaire results (2023)

Just under three quarters (71%) of the millennial respondents in South Africa perceive Facebook Marketplace products have some unique elements. As shown in the figure, 35% (n=93) 'agree' with the statement, followed by those who 'somewhat agreed' 18% (n=48) and 'strongly agreed' 18% (n=47).

Only 12% did not think they were unique: 7% (n=18) 'disagree', 4% (n=11) 'somewhat disagree' and 1% (n=3) indicated they 'strongly disagreed'.

The chart shows that the remaining respondents - 17% (n=44) - were neutral.

Proportion of millennials who indicated that they find the brands on the Facebook Marketplace attractive and irresistible (N=261)

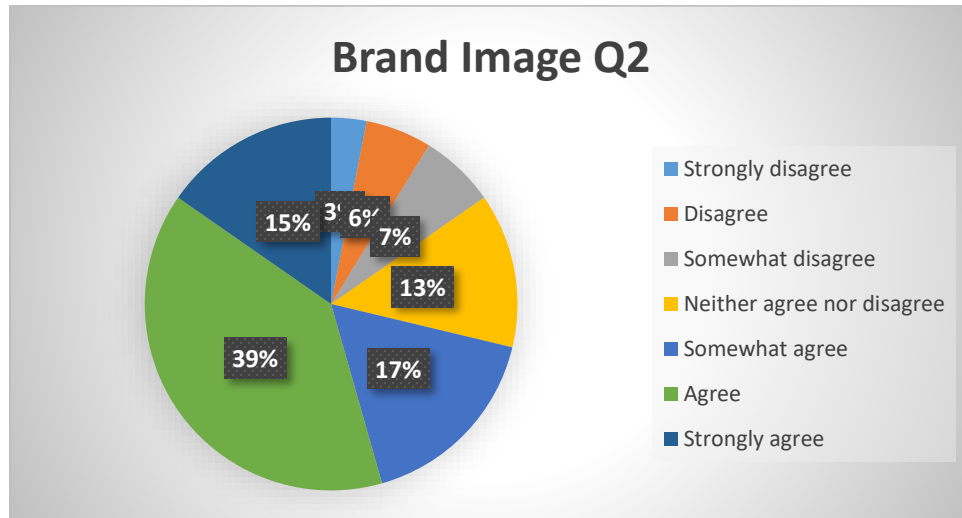


Figure 28: Brand image Q2

Source : Calculated from questionnaire results (2023)

Just under three quarters (71%) of the millennial respondents perceive the brands on the Facebook Marketplace as attractive and irresistible. The chart above shows that, those who ‘agreed’ with the statement were 39% (n=91), ‘while 17% (n=49) somewhat agreed’ and 15% (n=47) ‘strongly agreed’.

Consequently, just over a quarter (27%) did not agree: 17% (n=18) ‘disagree’, 7% (n=11) ‘somewhat disagree’, and only 3% (n=3) ‘strongly disagree’ with the statement. 13% (n=44) were neutral.

Proportion of millennials who indicated that the brands on the Facebook Marketplace connect with their personal traits (N=261).

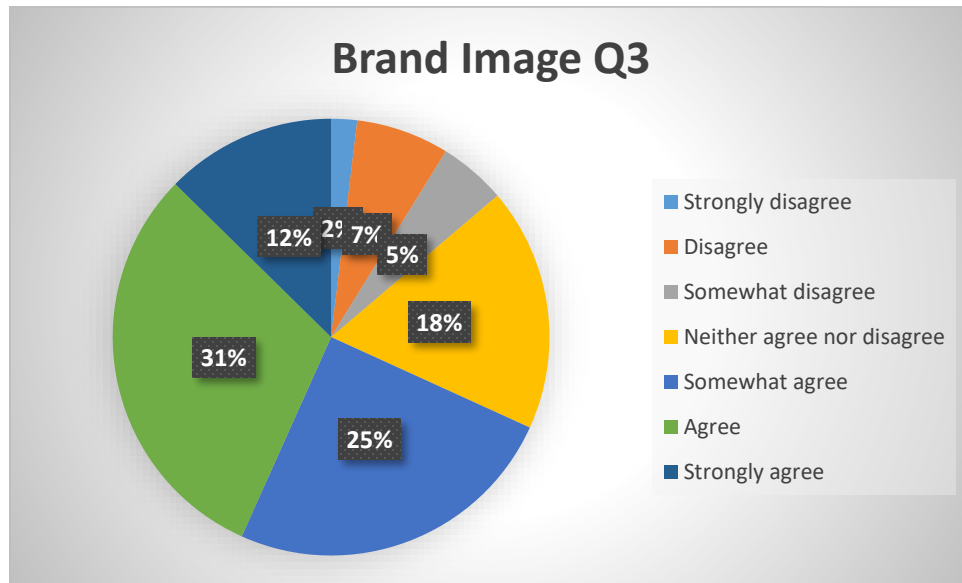


Figure 29: Brand image Q3

Source: Calculated from questionnaire results (2023)

Just over two thirds (68%) of the millennial respondents in South Africa feel that Facebook Marketplace vendors connect with their personal traits. As shown in the above chart, 31% (n=80) ‘agree’ with the above statement, while those who ‘somewhat agree’ were 25% (n=65), and strongly agreed were 12% (n=33).

Only 14% do not think that Facebook Marketplace vendors connect with their personal traits: 7% (n=18) ‘disagree, 5% (n=13) ‘somewhat disagree’ and 2% (n=5) ‘strongly disagree’ with the statement and 18% (n=47) were neutral.

4.2.8 Brand integrity

Proportion of millennials who indicated that trust in a brand is very important for them on Facebook Marketplace (N=261)

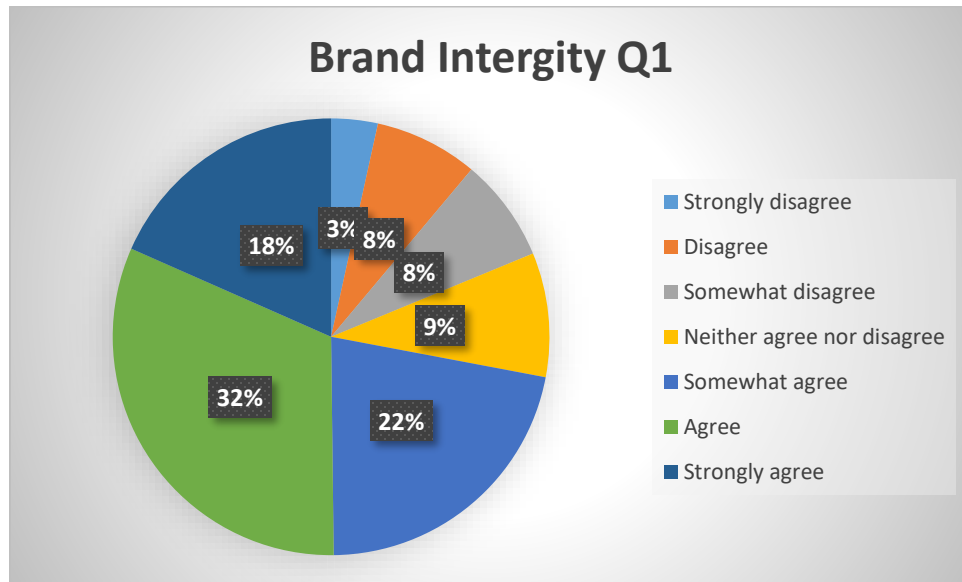


Figure 30: Brand integrity Q1

Source: Calculated from questionnaire results (2023)

Just under three quarters (72%) of millennial respondents in South Africa perceive trust as very important for them in the Facebook Marketplace. The above figure shows that 32% (n=84) 'agree', 22% (n=57) 'somewhat agree', and 18% (n=48) 'strongly agree'.

19% did not agree to some extent - being 8% (n=20) who 'disagree', 8% (n=20) who 'somewhat disagree', and lastly 3% (n=9) who indicated that they 'strongly disagree' and 9% (n=24) were neutral.

Proportion of millennials who indicated that the brands on the Facebook Marketplace offer credibility of the product (N=261)

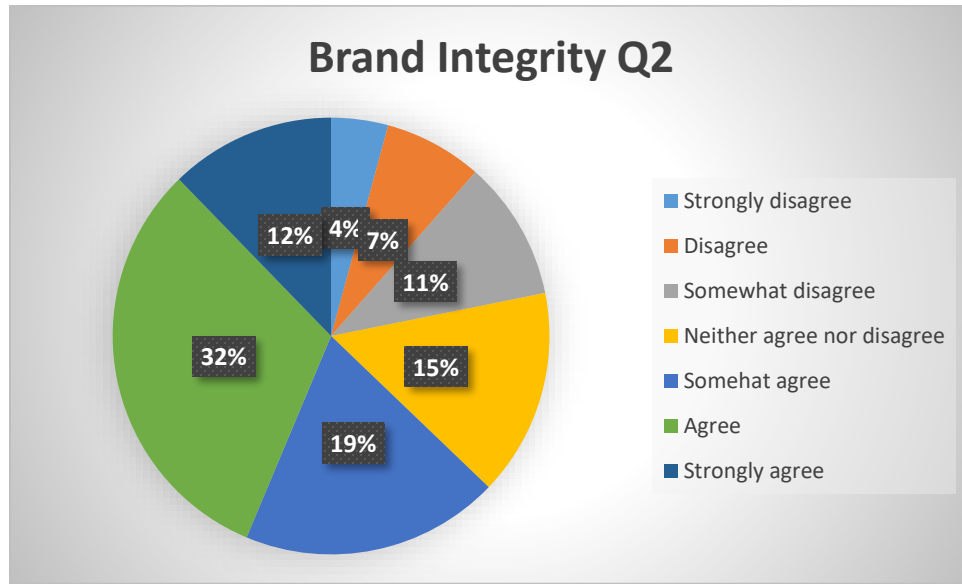


Figure 31: Brand integrity Q2

Source: Calculated from questionnaire results (2023)

Just under two thirds (63%) of the millennial respondents agree that the brands on Facebook Marketplace offer credibility to the product. The above figure shows that 32% (n=82) ‘agreed’, followed by those that ‘somewhat agreed’ 19% (n=50) and ‘strongly agreed’ 12% (n=xx) to the above statement.

Nearly a quarter (22%) did not agree that the brands on Facebook offer credibility to the product – being 7% (n=19) who ‘disagreed’, 11% (n=27) who ‘somewhat disagreed’ and 4% (n=11) who ‘strongly disagreed’. 15% (n=40) were neutral.

Proportion of millennials who indicated that reliability of the brand is very important to them on Facebook Marketplace (N=261)

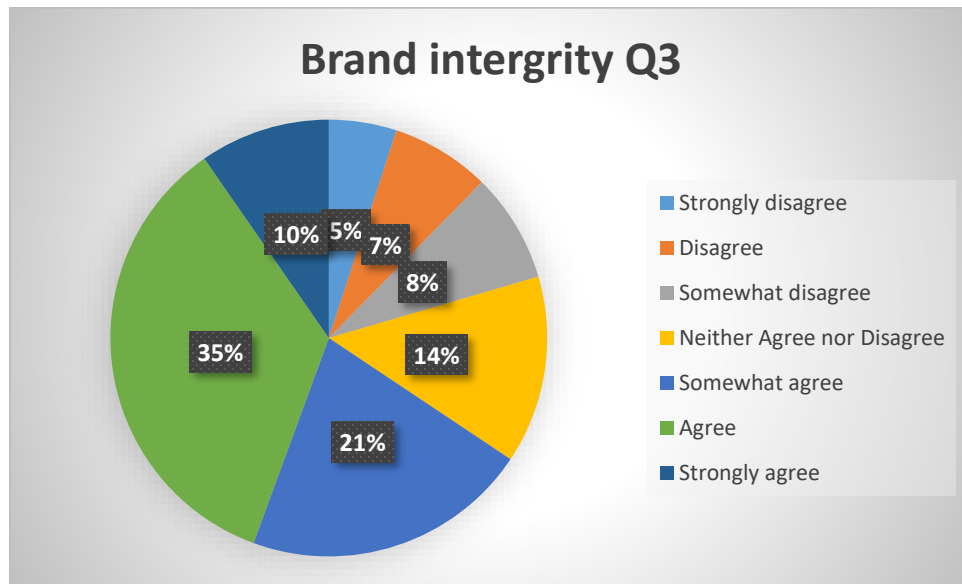


Figure 32: Brand integrity Q3

Source: Calculated from questionnaire results (2023)

Two thirds (66%) of the millennial respondents agree that the reliability of the brand is very important to them on Facebook Marketplace shopping. As indicated in the chart above, 35% (n=90) 'agree', 21% (n= 55) 'somewhat agree', and 10% (n=25) 'strongly agree' with the above statement.

20% did not agree - being 7% (n=19) who 'disagree', 8% (n=21) who 'somewhat disagree' and 5% (n=13) who 'strongly disagree'. 14% (n=36) were neutral.

4.2.9 Brand interactions

Proportion of millennials who indicated that they think brand conversations strengthen their relationship with Marketplace vendors (N=261)

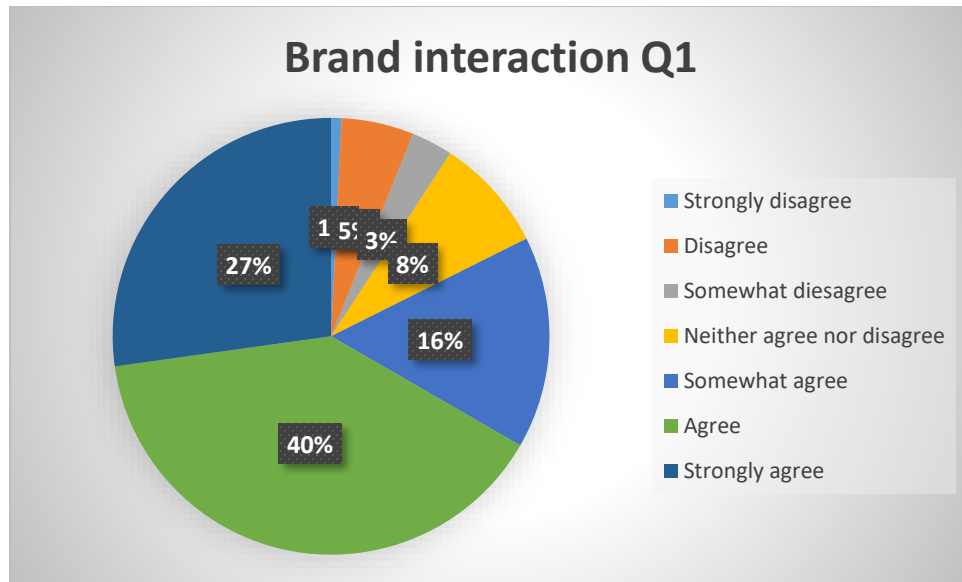


Figure 33: Brand interaction Q1

Source: Calculated from questionnaire results (2023)

83% of the millennial respondents agree that brand conversations strengthen their relationship with Facebook Marketplace vendors. As indicated in the figure above, this comprises those that 'agree' 40% (n=103), 'strongly agree' 27% (n=71), and 'somewhat agree' 16% (n=41) with the above statement.

Only 9% disagree – being 5% (n=14) who 'disagree', 3% (n=8) who 'somewhat disagree' and 1% (n=2) who 'strongly disagree'. Furthermore, 8% (n=22) indicated they were neutral on the issue.

Proportion of millennials who indicated that they believe in contributing to the brand as a customer through word of mouth on Facebook Marketplace (N=261)

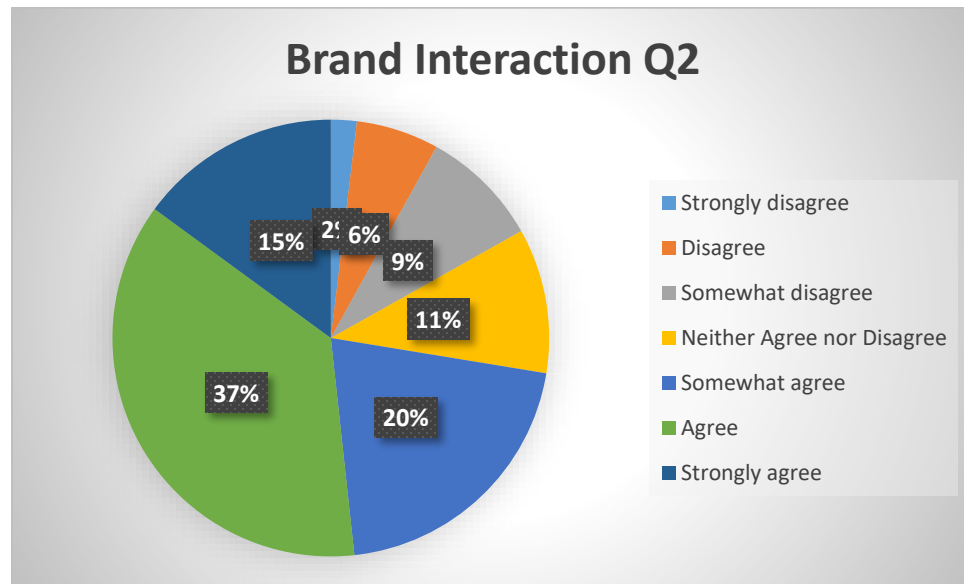


Figure 34: Brand interaction Q2

Source: Calculated from questionnaire results (2023)

Just under three quarters (72%) of millennial respondents in South Africa believe in contributing to the brand as a customer through word of mouth on the Facebook Marketplace. This is seen in the figure above which shows that 37% (n=96) indicated that they ‘agree’, 20% (n=54) ‘somewhat agree’ and 15% (n=39) ‘strongly agree’ with the statement.

17% did not agree – being ‘disagree’ = 6% (n=16), ‘somewhat disagree’ = 9% (n=23) and ‘strongly disagree’ = 2% (n=5). The remaining 11% (n=28) of respondents were neutral.

Proportion of millennials who indicated that co-creation is important for meeting specified conformance standards from customers in Facebook Marketplace
(N=261)

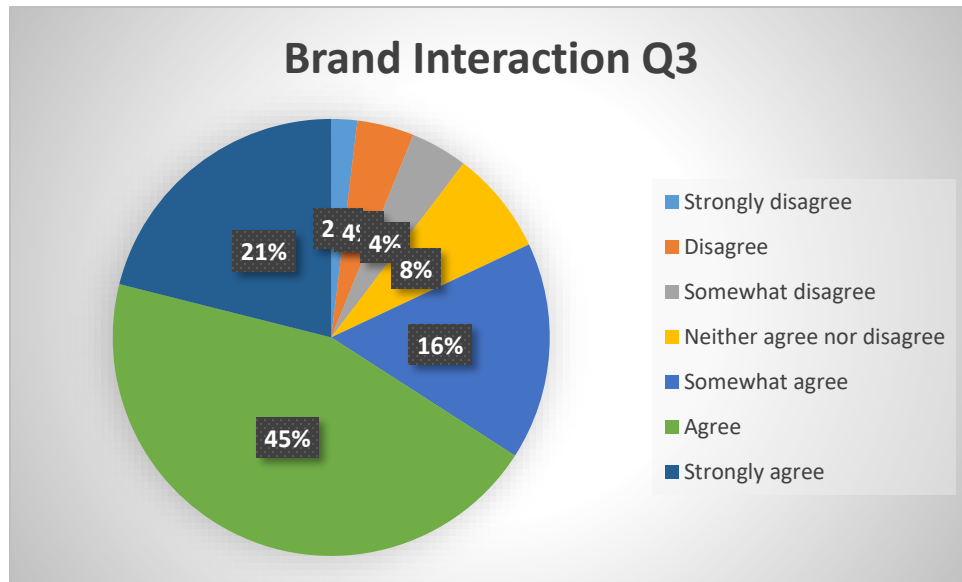


Figure 35: Brand interaction Q3

Source : Calculated from questionnaire results (2023)

82% of millennial respondents in South Africa believe that co-creation is important for meeting specified conformance standards from customers through on Facebook Marketplace. As shown in the figure above, 45% (n=177) ‘agree’, 21% (n=55) ‘strongly agree’ and 16% (n=42) ‘somewhat agree’ with the statement.

10% do not believe that co-creation is important for meeting specified conformance standards from customers through on Facebook Marketplace, however – being 4% (n=11) who ‘disagree’, another 4% (n=11) who ‘somewhat disagree, and 2% (n=5) who ‘strongly disagree’.

8% (n=20) were neutral on the matter.

4.2.10 Purchase intention

Proportion of millennials who indicated they have the willingness to buy on Facebook Marketplace vendors (N=261)

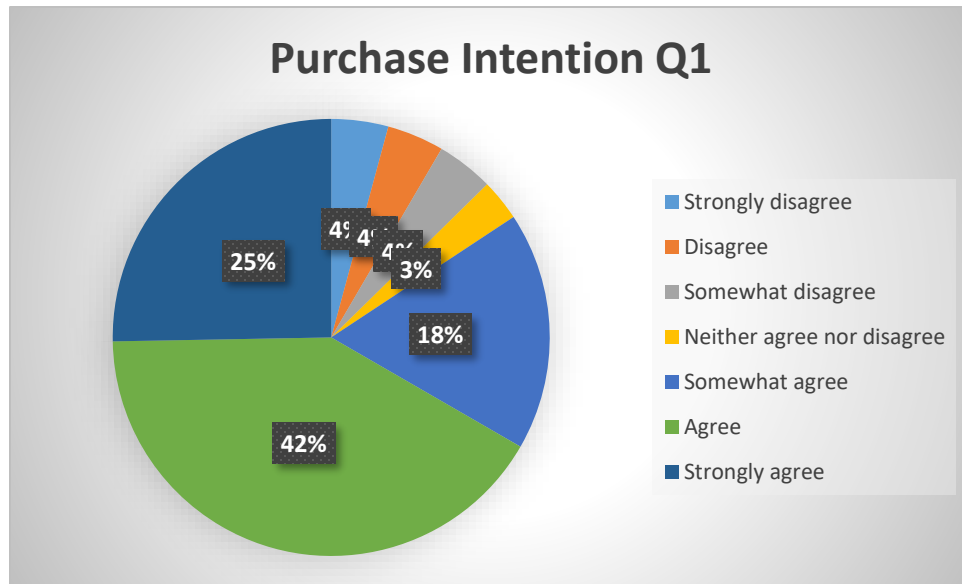


Figure 36: Purchase intention Q1

Source: Calculated from questionnaire results (2023)

The vast majority of respondents - 85% - are willing to purchase from vendors on the Facebook Marketplace. As shown in the figure, this comprises those that 'agree' 42% (n=108) followed by the who 'strongly agree' 25% (n=66), then 'somewhat agree' 18% (n=46).

12% are not willing to purchase from vendors on the Facebook Marketplace, however: 4% (n=11) 'disagree' with the statement as do 4% (n=11) who 'somewhat disagree' and 4% (n=11) who 'strongly disagree' and only 3% (n=8) 'neither agree or disagree'.

Proportion of millennials who indicated that they have the capability to buy on Facebook Marketplace (N=261).

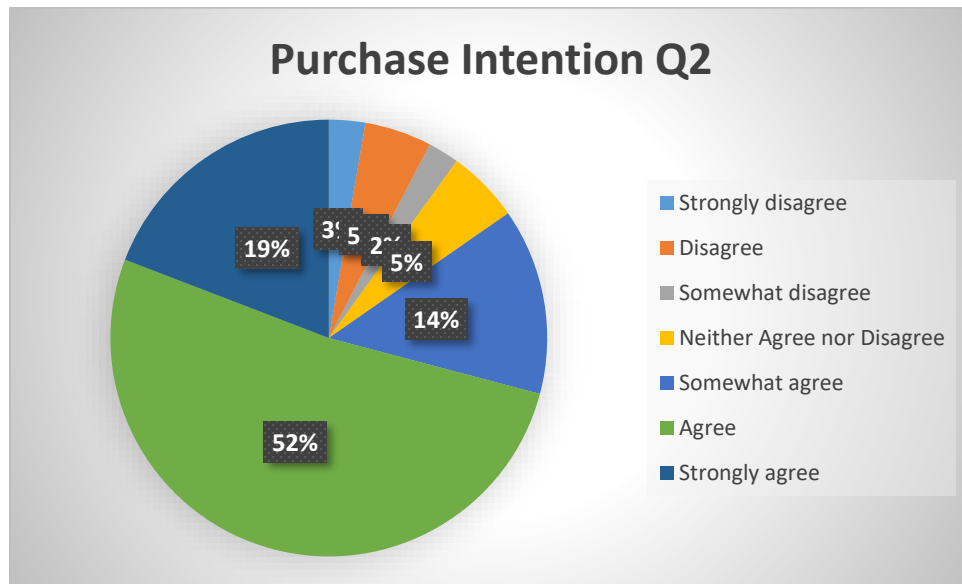


Figure 37: Purchase intention Q2

Source : Calculated from questionnaire results (2023)

Again the vast majority (85%) of the millennial respondents feel they have the capability to buy on the Facebook Marketplace. This comprises 52% (n=135) who ‘agree’, 14% (n=36) who ‘somewhat agree’ and 19% (n=50) who ‘strongly agree’ with the statement.

10% do not agree – being ‘disagree’ = 5% (n=13), ‘somewhat disagree’ = 2% (n=6) and ‘strongly disagree’ = 3% (n=7) and 5% (n=14) were neutral on the matter.

**Proportion of millennials who indicated that they have intentions of shopping
from the Facebook Marketplace in the future (N=261)**

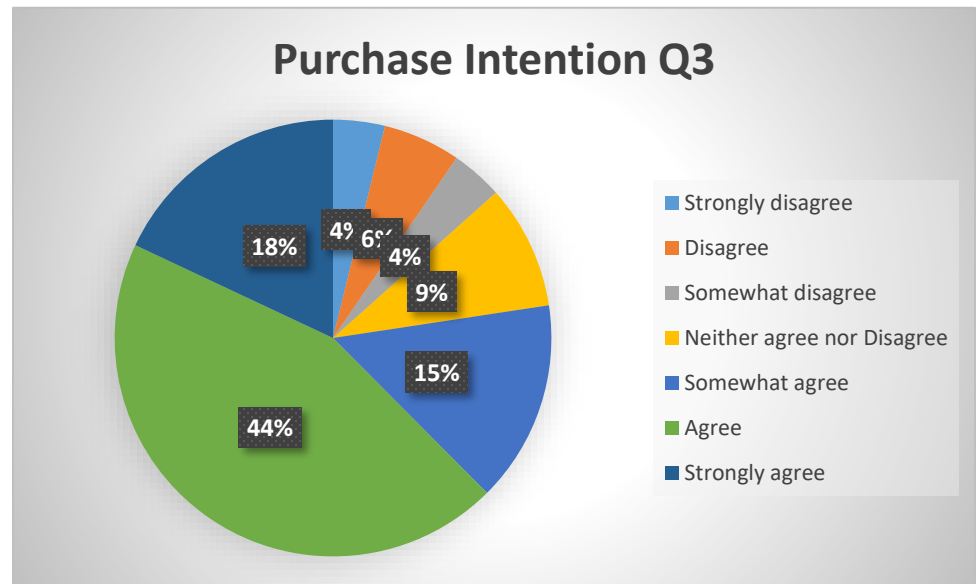


Figure 38: Purchase intention Q3

Source : Calculated from questionnaire results (2023)

Just over three quarters (77%) of millennial respondents in South Africa have the intention of shopping on Facebook Marketplace in the future. The figure shows that 44% (n=116) ‘agree’, followed by 18% (n=47) who ‘strongly agree’ and 15% (n=39) who ‘somewhat agree’ with the statement.

14% do not have the intention to shop on Facebook Marketplace in the future, however – being those who ‘disagree’ = 6% (n=15), ‘somewhat disagree’ = 4% (n=10), and ‘strongly agree’ = 4% (n=10) and 9% (n=24) ‘neither agree not disagree’.

**Proportion of millennials who indicated they do have a need to purchase
from Facebook Marketplace (N=261)**

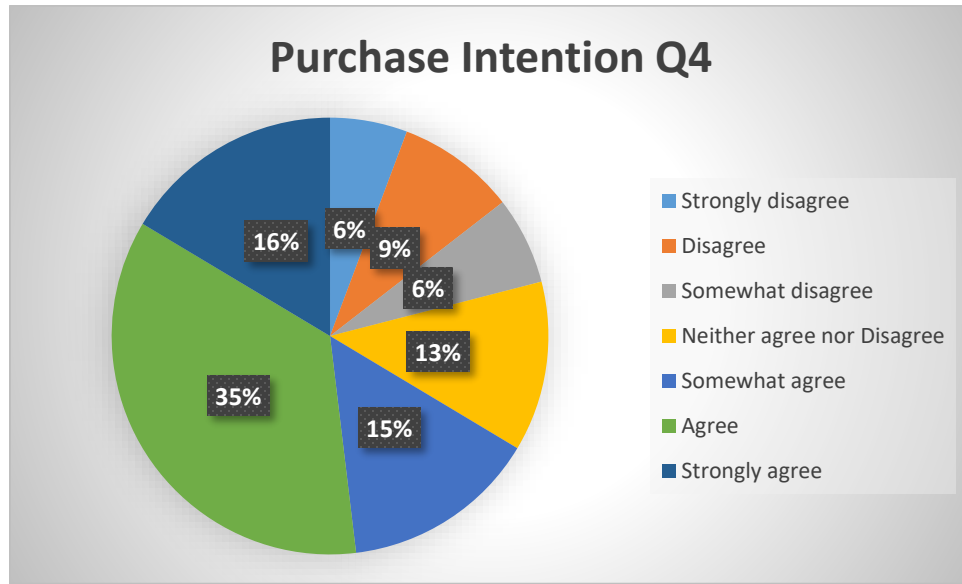


Figure 39: Purchase intention Q3

Source : Calculated from questionnaire results (2023)

Two thirds (66%) of the millennials indicated that they have a need to purchase from Facebook Marketplace. This is comprised of 35% (n=91) who ‘agree’, followed by those who ‘strongly agree’ = 16% (n=43) and ‘somewhat agree’= 15% (n=38).

Just under a quarter (21%) do not have a need to purchase from Facebook Marketplace – being those who ‘disagree’ 9% (n=23), ‘somewhat disagree’ 6% (n=16) and ‘strongly disagree’ 6% (n=15) with the statement. 13% (n=33) ‘neither agree not disagree’.

The following section describes the measures that were used to assess the model of the study – which entails variables that include price, platform reputation, product differentiation, reviews and ratings, trust, brand identity, brand image, brand reputation, brand interaction, and purchase intention.

4.3 STRUCTURAL EQUATION MODELLING RESULTS

According to Hair *et al.* (2017) and Hair *et al.* (2022), a study's first fundamental step involving structural equation modelling is to design a diagram – or path model – that shows the study hypotheses and displays the constructs relationships that will be tested. They explain that the path

model consists of two elements: the first is the structural model (also known as the inner model), which explains the relationship between constructs, and the second is the measurement model, which describes the relationship between latent constructs (Hair *et al.*, 2017).

In the next section, the presentation of how the current study assessed the structural model will be provided while the measurement model will be covered later. The study first calculated the outer loadings of variables which include price, platform reputation, product differentiation, reviews and ratings, trust, brand identity, brand image, brand reputation, brand interaction, and purchase intention.

4.4 RELIABILITY AND VALIDITY ASSESSMENT

4.4.1. Measurement accuracy statistics

Table 6 : Measurement Accuracy Statistics

Variable	Item	Loadings	Cronbach Alpha	Composite reliability	Average Variance Extracted (AVE)
Price	PV1	0.878	0.529	0.645	0.551
	PV2	0.910			
	PV3	0.914			
Platform Reputation	PFR1	0.923	0.909	0.918	0.785
	PFR2	0.930			
	PFR3	0.884			
	PFR4	0.846			
Product Differentiation	PDD1	0.875	0.864	0.867	0.786
	PDD2	0.838			
	PDD3	0.833			
Reviews and Ratings	RV1	0.902	0.814	0.849	0.641
	RV2	0.885			
	RV3	0.900			
	RV4	0.881			
Trust	TRS1	0.879	0.954	0.955	0.916
	TRS2	0.869			
	TRS3	0.855			
Brand Identity	BIDD1	0.903	0.900	0.900	0.833
	BIDD2	0.916			
	BIDD3	0.909			
Brand Image	BI1	0.726	0.884	0.896	0.811
	BI2	0.920			
	BI3	0.819			
Brand Integrity	BRI	0.388	0.845	0.845	0.764
	BRI2	0.892			
	BRI3	0.841			
Brand Interaction	BRINT1	0.672	0.816	0.835	0.728
	BRINT2	0.804			
	BRINT3	0.851			

Purchase Intention	PI1	0.861	0.867	0.893	0.718
	PI2	0.954			
	PI3	0.958			
	PI4	0.959			

PDD = product differentiation; PV = price; RV = reviews and ratings; PFR = platform reputation; BIDD = brand identity; BI =brand image, BRI = brand integrity; BRINT = brand interaction; PI= purchase intention; TRS = trust

Source : Calculated from questionnaire results (2023)

4.4.2. Cronbach Alpha

Cronbach Alpha (CA) is a measurement technique used to assess the consistency of scale used during data collection. Hair *et al.* (2017) suggest that CA should exceed the threshold of 0.7, while Zikmund, Babin, Carr, and Griffin (2010) state that CA with a value above 0.6 should be accepted. In this study, Cronbach Alpha was assessed and the table above displays the CA values. The highest CA value is for trust (0.954), followed by platform reputation (0.909), brand identity (0.900), brand image (0.884), purchase intention (0.867), product differentiation (0.864), brand integrity (0.845), brand interaction (0.816), reviews and ratings (0.814). Price is the only construct that did not exceed the threshold of 0.6. Vasudevan and Senthilvel (2014) state that a CA that is above 0.5 is poor, but can be accepted; a CA that is below the threshold of 0.05 is not acceptable, however.

As Henseler, Ringle and Sarstedt (2015) assert that CA is an old and irrelevant technique to calculate reliability, they introduced an advanced technique called the heterotrait-monotrait ratio of correlations (HTMT).

However, it can be concluded that the questionnaire was reliable due to the Average Variance Extracted (AVE) that exceed 0.5 for all the variables of the study.

4.4.3. Composite reliability

According to Hair *et al.* (2017) and Hair *et al.* (2022) composite reliability is another method of testing reliability in a study that usually employs structural equation modelling. Composite reliability was assessed and all the values exceeded the required threshold of 0.8 which indicates that the measurements were indeed reliable.

Table 8 shows the list of reliabilities with trust (0.954) being the highest, then platform reputation (0.918), brand identity (0.900), brand image (0.896), purchase intention (0.893), product differentiation (0.867), reviews and ratings (0.849) brand integrity (0.845), brand interaction (835) and (0.645) respectively. Fornell and Larcker (1981) emphasise that constructs should be considered reliable even if they do not meet 0,7 Cronbach Alpha, but exceed the AVE of 0.5.

Lastly, the reliability was measured using the outer loadings. As the items exceeded the expected threshold required, it can be concluded that the study conformed with reliability standards.

To ensure the consistency of this study both convergent and discriminant validity were assessed.

4.4.4 Convergent validity

Convergent validity is a type of technique that is used to test whether items converge together to define a construct under review. Hensler *et al.* (2015) suggest that convergent validity should be assessed through the use of AVE, and any value that exceeds 0.5 should be considered satisfactory. Table 8 displays the AVE calculated. These revealed that trust was the highest with 0.916 followed by identity with 0.833; brand image (0.811), product differentiation (0.786); platform reputation (0.785); brand interaction (0.728); purchase intention (0.718); brand identity (0.764); reviews and ratings (0.641) and price (0.551). All the AVE values exceed the limit of 0.5 suggested by Hair *et al.* (2017), Hair *et al.* (2022) and Henseler, Ringle and Sarstedt (2015).

4.4.5 Discriminant validity

Discriminant validity can be assessed using three approaches: cross-loadings, Fornell-Larcker criterion and HTMT. Due to the disadvantages of the Fornel-Lacker Criterion and of cross-loadings by Hair *et al.* (2017), it is important to include Hensler *et al.*'s (2015) new HTMT method

when testing validity since it is more advanced. In this study, all three approaches were adopted to ensure validity, and the outcomes are displayed in tables 9, 10 and 11 below.

Table 7: Fornel Lacker Criterion

	Brand Interaction	Brand Integrity	Product differentiation	Purchase intention	Platform reputation	Price	Reviews and Ratings	Trust
Brand interaction	0.853							
Brand integrity	0.497	0.874						
Product differentiation	0.222	0.301	0.887					
Purchase intention	0.389	0.417	0.238	0.847				
Platform reputation	0.216	0.280	0.369	0.286	0.886			
Price	0.094	0.215	0.199	0.229	0.358	0.742		
Reviews and ratings	0.336	0.337	0.437	0.330	0.350	0.260	0.801	
Trust	0.315	0.350	0.397	0.350	0.430	0.219	0.518	0.957

Source : Calculated from questionnaire results (2023)

Fornel Lacker criteria suggests that all the square roots of the average variance extracted (AVE) should be greater than all the correlations of the variables underneath. As indicated in the above table, all the correlations of the square root of AVE from Brand interaction (0.853), Brand identity, (0.874), Product differentiation (0.887), Purchase intention (0.847), Platform reputation (0.866), Price (0.742), Reviews and ratings (0.801) and Trust (0.957). These figures reveal that every square root on each column is greater than all the square roots underneath. This confirms the research questionnaire's validity, as stated by Hensler *et al.* (2015), Hense *et al.* (2017), and Hair *et al.* (2022).

Table 8: Cross loadings

	Brand image	Brand identity	Brand interaction	Brand integrity	Product differentiation	Purchase intention	Platform reputation	Price	Reviews and ratings	Trust
Brand image 3	0.878	0.367	0.368	0.325	0.180	0.322	0.107	0.090	0.280	0.299
Brand image 1	0.910	0.434	0.464	0.421	0.253	0.404	0.162	0.048	0.349	0.374
Brand image 2	0.914	0.413	0.427	0.396	0.242	0.397	0.129	0.092	0.367	0.382
Brand Identity1	0.401	0.923	0.470	0.481	0.321	0.378	0.255	0.228	0.424	0.519
Brand identity 2	0.417	0.930	0.432	0.492	0.318	0.354	0.238	0.160	0.375	0.488
Brand identity 3	0.418	0.884	0.530	0.573	0.269	0.369	0.307	0.258	0.453	0.543
Brand interaction 1	0.368	0.374	0.846	0.394	0.162	0.292	0.151	0.108	0.248	0.238
Brand interaction 2	0.431	0.538	0.875	0.519	0.324	0.388	0.286	0.146	0.363	0.352
Brand interaction 3	0.396	0.404	0.838	0.335	0.044	0.301	0.086	-0.030	0.228	0.193
Brand integrity 1	0.353	0.452	0.380	0.833	0.321	0.363	0.211	0.174	0.237	0.248
Brand integrity 2	0.346	0.510	0.428	0.902	0.280	0.365	0.312	0.192	0.320	0.347
Brand integrity 3	0.418	0.517	0.495	0.885	0.189	0.365	0.211	0.198	0.327	0.322
Product differentiation 1	0.211	0.291	0.201	0.272	0.900	0.192	0.364	0.160	0.397	0.351
Product differentiation 2	0.208	0.261	0.209	0.244	0.881	0.202	0.277	0.184	0.357	0.326
Product differentiation 3	0.250	0.324	0.183	0.284	0.879	0.237	0.337	0.184	0.404	0.375
Platform reputation 4	0.111	0.251	0.179	0.252	0.356	0.231	0.869	0.273	0.300	0.397
Platform reputation 1	0.107	0.224	0.176	0.180	0.253	0.213	0.855	0.328	0.294	0.307

Platform reputation 2	0.116	0.260	0.167	0.244	0.339	0.278	0.903	0.328	0.319	0.392
Platform reputation 3	0.186	0.295	0.238	0.301	0.347	0.285	0.916	0.344	0.325	0.412
Purchase intention 1	0.401	0.421	0.370	0.383	0.264	0.909	0.297	0.247	0.342	0.378
Purchase intention 2	0.271	0.200	0.296	0.242	-0.011	0.726	0.081	0.173	0.112	0.135
Purchase intention 3	0.395	0.383	0.356	0.340	0.203	0.920	0.262	0.231	0.289	0.312
Purchase intention 4	0.333	0.318	0.292	0.424	0.284	0.819	0.282	0.117	0.325	0.313
Price 1	0.032	0.201	-0.009	0.117	0.133	0.166	0.120	0.388	0.220	0.112
Price 2	0.084	0.207	0.121	0.204	0.195	0.163	0.376	0.892	0.239	0.207
Price 3	0.058	0.123	0.062	0.139	0.098	0.191	0.236	0.841	0.117	0.146
Reviews and ratings 1	0.287	0.227	0.190	0.194	0.216	0.182	0.180	0.201	0.672	0.287
Reviews and ratings 2	0.308	0.340	0.292	0.294	0.316	0.168	0.247	0.202	0.804	0.386
Reviews and ratings 3	0.305	0.390	0.270	0.292	0.369	0.306	0.298	0.216	0.851	0.425
Reviews and ratings 4	0.303	0.461	0.306	0.288	0.448	0.359	0.357	0.220	0.861	0.516
Trust 1	0.372	0.535	0.282	0.351	0.409	0.311	0.442	0.215	0.524	0.954
Trust 2	0.385	0.525	0.287	0.324	0.340	0.367	0.382	0.205	0.477	0.958
Trust 3	0.374	0.566	0.336	0.329	0.388	0.330	0.407	0.208	0.484	0.959

Source : Calculated from questionnaire results (2023)

According to Hensler *et al.* (2015), the items should load better in their construct than in any other construct. Table 10 shows that all the bold numbers load better on their constructs, which confirms that all the items are valid for the study.

Table 9: Heterotrait-Monotrait ratio of correlations (HTMT)

	Brand image	Brand integrity	Product differentiation	Purchase intention	Platform reputation	Price	Reviews and ratings	Trust
Brand image								
Brand identity	0.503							
Brand interaction	0.545							
Brand intergrity	0.489							
Product differentiation	0.284	0.352						
Purchase intention	0.469	0.480	0.270					
Platform reputation	0.162	0.315	0.410	0.304				
Price	0.120	0.320	0.293	0.354	0.491			
Reviews and ratings	0.439	0.401	0.500	0.361	0.391	0.410		
Trust	0.425	0.389	0.435	0.370	0.456	0.304	0.571	

Source : Calculated from questionnaire results (2023)

The above table shows Hensler *et al.* 's (2015) HTMT, which states that all the values should be less than 0.85. This table is based on Smart PLS 4 and the results reveal that all the values are within the limit. Drawing from the proposed model, these results show that all nine variables are valid for the study. Therefore both the outer and inner model analysis showed good validity and reliability.

4.5 MODEL FIT

The model was assessed using three indices, namely Standardised Root-Mean Square Residual (SRMR), Chi-square value (χ^2/df), and Normed Fit Index (NFI). Table 12 shows the values of these model fit indices.

Table 10: Model fit

Indice	Saturated model
SRMR	0.061
(χ^2/df)	1,308.947
NFI	0.787

Source : Calculated from questionnaire results (2023)

The above table shows the model fit of the data collected for the study. The score of 0.661 for SRMR is below the threshold of 0.08, and for Chi-square of 1.308, it is under the threshold of 3 (Chinomona & Dubihlela, 2014). The NFI value is 0.787, which is below 0.90 (Chinomona & Dubihlela, 2014). This shows that the model fit for the study was satisfactory.

4.6 PATH MODELLING AND HYPOTHESES TESTING

According to Hair *et al.* (2017) and Hensler *et al.* (2015), the relationship between an independent construct and a dependent construct is demonstrated by path coefficients. This study employs a t-value of 1.96 at a 5% significant level to test whether each proposed hypothesis is rejected or accepted. The diagram below shows the path model of the study.

Path model

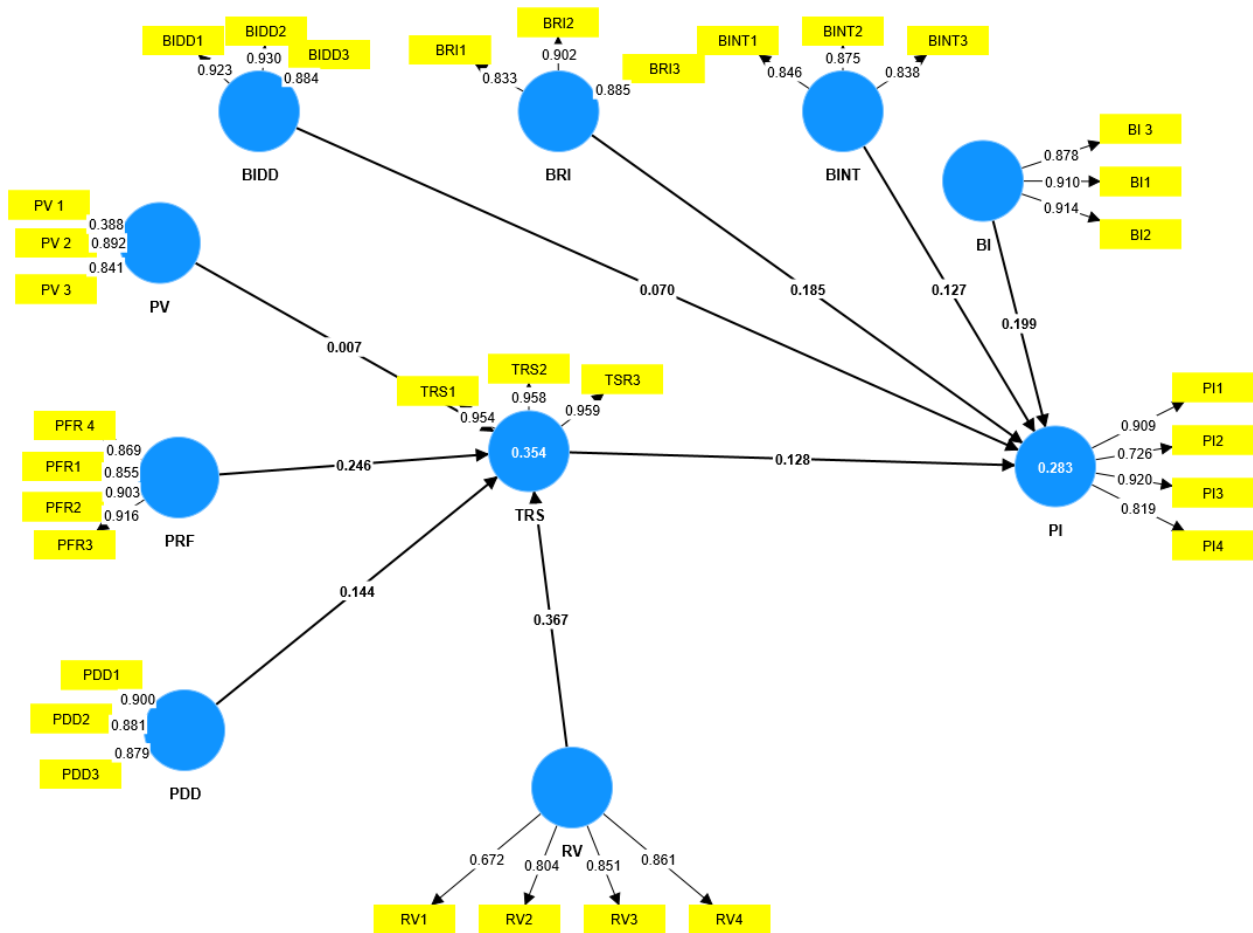


Figure 40: Path model

Source: Smart PLS 4 (Accessed, February 2023)

Note: The above path model shows B-values

The abbreviations in this model are

PDD = product differentiation; PV = price; RV = reviews and ratings; PFR = platform reputation; BIDD = brand identity; BI = brand image, BRI = brand integrity; BINT = brand interaction; PI = purchase intention, TRS = trust

Table 11: Hypotheses testing

Relationship	Hypotheses	T-values	P-values	Results
Price -> Trust	H1	0.120	0.904	Not Supported
Product differentiation -> Trust	H2	2.259	0.024	Supported
Platform reputation -> Trust	H3	3.425	0.001	Supported
Reviews and ratings -> Trust	H4	5.446	0.000	Supported
Brand identity -> Purchase intention	H5	0.670	0.503	Not Supported
Brand image -> Purchase intention	H6	2.696	0.007	Supported
Brand interaction -> Purchase intention	H7	1.347	0.178	Not Supported
Brand integrity -> Purchase intention	H8	1.850	0.064	Not Supported
Trust -> Purchase intention	H9	1.641	0.101	Not Supported

Note: The differences are significant if the relationships is ($P < 0.05$)

Source : Calculated from questionnaire results (2023)

Based on the above table, only four hypotheses are significant and supported - namely

- H2 with a t-value of 2.259 and path coefficient of 0.024
- H3 with a t-value of 3.425 and path coefficient of 0.001
- H4 with a t-value of 5.446 and path coefficient of 0.000
- H6 with a t-value of 2.696 and path coefficient of 0.007

H1 with a t-value of 0.120 and path coefficient of 0.904, H5 with a t-value of 0.670 and a path coefficient of 0.503, H7 with a t-value of 1.347 and a path coefficient of 0.178, H8 with a t-value of 1.850 and a path coefficient of 0.064, and H9 with a t-value of 1.641 and 0.101 are not supported.

4.7 MEDIATOR EFFECTS

Table 12: The indirect effect of the mediating hypotheses

Relationship	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Platform reputation -> Trust -> Purchase intention	0.031	0.031	0.023	1.379	0.168
Price -> Trust -> Purchase intention	0.001	0.002	0.008	0.106	0.915
Reviews and ratings -> Trust-> Purchase intention	0.047	0.045	0.030	1.573	0.116
Product differentiation -> Trust -> Purchase intention	0.018	0.018	0.015	1.245	0.213

Source : Calculated from questionnaire results (2023)

The first indirect effect in the study was between platform reputation and purchase intention through trust. As the t-value was 1.379, which is below 1.96, the relationship was not significant and was rejected. This shows that the relationship between platform reputation and purchase intention does not have indirect effect has no indirect effect.

The second indirect effect tested in the study was between price and trust and purchase intention; results indicated a t-value of 0.106, which is also below 1.96, and the relationship was found not to be significant and, therefore, was not supported. This indicates that there is no relationship between price and purchase intention that is motivated by trust.

The indirect relationship between reviews and ratings and trust and purchase intention was measured, and a t-value of 1.573, which is less than 1.96, was found. As a result, the proposed relationship was rejected and this was the weakest relationship. There is no indirect relationship between reviews and ratings and purchase intention that passes through trust.

Lastly, the relationship between product differentiation and trust and purchase intention was assessed, and a t-value of 1.245 was found, which is less than 1.96, and the hypothesis was not supported. Therefore, there is no indirect relationship between product differentiation and trust and purchase intention.

These findings show that there is no relationship between price, product differentiation, reviews and ratings, platform reputation, and purchase intention that is mediated through trust.

4.8 MULTI-GROUP ANALYSIS

Table 13: Multigroup analysis of Gauteng and Western Cape provinces

Relationship	Difference (Gauteng - Western Cape)	1-tailed (Gauteng vs Western Cape) p value	2-tailed (Gauteng vs Western Cape) p value	Outcome
Brand image -> Purchase Intention	0.082	0.287	0.287	Not significant
Brand identity -> Purchase Intention	-0.226	0.862	0.138	Not significant
Brand interaction -> Purchase intention	-0.097	0.696	0.304	Not significant
Brand integrity -> Purchase intention	-0.032	0.56	0.44	Not significant
Product differentiation -> Trust	0.225	0.041	0.041	Significant
Platform reputation -> Trust	-0.221	0.933	0.067	Not significant
Price -> Trust	0.045	0.352	0.352	Not significant
Reviews and ratings -> Trust	-0.084	0.726	0.274	Not significant
Trust -> Purchase intention	0.112	0.236	0.236	Not significant

Note: The differences are significant if the relationships between the two provinces is ($P < 0.05$).

Source : Calculated from questionnaire results (2023)

The above table shows important variations between Western Cape and Gauteng provinces in terms of the effects of price, product differentiation, platform reputation and reviews and ratings on trust - and that of trust, brand identity, brand image, brand integrity and brand interaction on purchase intention. The findings revealed that all the relationships were found to be not significant, except for product differentiation and trust. The difference in terms of path coefficients indicates that the majority of the relationships were stronger in the Western Cape than in Gauteng province. The variables that were stronger in the Western Cape were platform reputation on trust with (-0.221) at $P=0.041$; followed by reviews and ratings on trust (-0.084) at $P=0.726$; and brand integrity (-0.032) at $P=0.56$, brand interaction at (-0.097) at $P=0.696$ and brand identity (-0.226) at $P=0.862$ on purchase intention. Paths that were stronger in Gauteng were trust on purchase intention (0.11) at $P=0.236$, price on trust (0.045) at $P=0.352$, product differentiation on trust (0.225) at $P=0.225$, which was the only significant difference and brand image on purchase intention (0.082) at $P=0.287$.

4.9 CONCLUSION

This chapter presented the results of the questionnaire from respondents that reside in two provinces in South Africa, namely Gauteng and Western Cape. Following the introduction, demographics were presented, followed by the presentation of each item under review. Thereafter reliability and validity were discussed and the hypotheses were tested. The results revealed that product differentiation, platform reputation, reviews, and ratings affect trust and that brand image influences purchase intention.

5 DISCUSSION OF RESULTS

5.1 INTRODUCTION

The previous chapter provided a quantitative analysis of the data collected for this study. This chapter seeks to present a discussion of the hypotheses tested, with support from the literature.

5.2 DISCUSSION OF EMPIRICAL RESULTS

Table 14: Hypotheses summary

Relationship	Hypotheses	T-values	P-values	Results
Price -> Trust	H1	0.120	0.904	Not Supported
Product differentiation -> Trust	H2	2.259	0.024	Supported
Platform reputation -> Trust	H3	3.425	0.001	Supported
Reviews and ratings -> Trust	H4	5.446	0.000	Supported
Brand identity -> Purchase intention	H5	0.670	0.503	Not Supported
Brand image -> Purchase intention	H6	2.696	0.007	Supported
Brand interaction -> Purchase intention	H7	1.347	0.178	Not Supported
Brand intergity -> Purchase intention	H8	1.850	0.064	Not Supported
Trust -> Purchase intention	H9	1.641	0.101	Not Supported

Source: Calculated from questionnaire results (2023)

5.2.1 Price and trust (Hypothesis 1)

H1 proposed a positive relationship between price and trust. As the relationship between price and trust shows a path of 0.007 and a t-value of 0.120, the relationship was not supported – and it can be concluded that price has no positive influence on trust amongst the millennials on the Facebook Marketplace platform in South Africa.

This finding is contrary to Yahia *et al.* (2018), who found the price to have a positive effect on trust in social commerce settings in India, but it is in line with Kim and Park (2013), who discovered an insignificant relationship between price and trust. This was justified by Schiffman

and Kanuk (2007), who assert that the way customers perceive price differs from one customer to another; that the customers' perception of whether a price is expensive, reasonable, or cheap is the one determining customer's satisfaction and intention. That said, it can be concluded from these results that the way South African millennials perceive Facebook prices does not affect their trust.

5.2.2 Product differentiation and trust (Hypothesis 2)

H2 proved a positive relationship between product differentiation and trust. The results show a path coefficient of 0.144 and a t-value of 2.259 and this relationship is supported and found to be significant. This indicates that when a vendor offers unique products on Facebook platforms in South Africa, the millennials tend to trust that seller. As Yahia *et al.* (2018) stated, there is no consistency in the past literature about the effect of social commerce characteristics and trust. This finding contradicts a study by Kim and Park (2013) who discovered that product differentiation has a negative effect on trust within social commerce. With these results, it can be concluded that product differentiation influences the trust of millennials in the Facebook setting.

5.2.3 Platform reputation and trust (Hypothesis 3)

H3 proposed a positive relationship between the reputation of a platform and trust. The calculations reveal a path of 0.246 and a t-value of 3.425, which means the relationship was significant and supported. This shows that millennials in South Africa tend to trust the vendors who use these reputable platforms when a platform such as Facebook has a good reputation. This outcome is in line with Yahia *et al.* (2018) and Kim and Park (2013) who also discovered that platform reputation has a strong effect on trust. This indicates that the platform's reputation in social commerce is perceived as a driver of trust by the millennials in South Africa.

5.2.4 Reviews and ratings and trust (Hypothesis 4)

H4 proposed a positive relationship between reviews and ratings, and trust. The relationship between reviews and rating and trust is the strongest, with a path coefficient of 0.367 and a t-value of 5.446, indicating that the relationship was significant and supported. This indicates that reviews and ratings are taken into consideration by customers on the Facebook Marketplace channel as a measure of trust in the vendors who operate on that platform.

This finding is contrary to Yahia *et al.* (2018) who discovered that reviews and ratings have a negative effect on trust within social commerce development. However, Yahia *et al.*'s (2018) discovery has been justified by the fact that the platform being used was Instagram, a photo-posting channel. Since the current study was conducted on Facebook, it can be concluded that reviews and ratings enhance the trust of millennials in South Africa.

5.2.5 Brand identity and purchase intention (Hypothesis 5)

H5 proposed that brand identity and purchase intention have a positive relationship. The results show a path coefficient of 0.007 and a t-value of 0.670, indicating that the relationship is unsupported. This shows that brand identity does not influence South African millennials' intention to purchase goods and services from Facebook vendors. While brand identity is how marketers want to be perceived by the customers in a marketplace, this finding indicates that this does not affect South African millennials' intent to purchase in a Facebook setting. This result is contrary to Dash *et al.* (2021) and Winarko *et al.* (2022), who discovered a strong relationship between brand identity and purchase intention.

5.2.6 Brand image and purchase intention (Hypothesis 6)

H6 proposed that brand image and purchase intention have a positive relationship. The relationship is found to be significant and supported by a path coefficient of 0.199 and a t-value of 2.696, indicating that this hypothesis was found to be significant and accepted. This relationship shows that millennials in South Africa do care about the brand image of the goods and services offered by Facebook vendors. This means that the millennials in South Africa perceive a particular brand image as affecting their intention to purchase from Facebook vendors.

This finding is in line with Dash *et al.* (2021) and Yaseen and Mazahir (2019), who also found that brand image has the strongest relationship with purchase intention amongst millennials who are first-time buyers in India.

5.2.7 Brand integrity and purchase intention (Hypothesis 7)

H7 proposed a positive relationship between brand integrity and purchase intention. The relationship between brand integrity and purchase intention indicates a path of 0.185 and a t-value of 1.347; therefore, the relationship was not supported. It can be concluded that brand integrity and purchase intention do not have a relationship among millennials in Facebook channels in South Africa. This outcome is consistent with Dash *et al.* (2021) and Yaseen and Mazahir (2019) who also discovered that brand integrity has no effect at all on purchase intention within social commerce.

5.2.8 Brand interaction and purchase intention (Hypothesis 8)

H8 proposed a positive relationship between brand interaction and purchase intention. The relationship reveals a path coefficient of 0.127 and a t-value of 1.850, indicating that the relationship was not supported. It can be concluded that brand interaction that occurs in a Facebook setting between Facebook vendors and South African millennials does not positively influence their purchase intention. This shows that South African millennials do not intend to buy any item or service because of vendor engagements on a Facebook channel.

This is consistent with a study by Dash *et al.* (2021) that found brand interaction has no relationship at all with purchase intention amongst the millennials in India. Following this discussion, it can be concluded that brand interaction as a facet of Marketing 4.0 theory does not affect millennials to purchase goods and services from Facebook vendors in South Africa.

5.2.9 Trust and purchase intention (Hypothesis 9)

The relationship between trust and purchase intention was not supported, as the relationship indicated a path coefficient of 0.128 and a t-value of 1.641. This indicates that trust does not influence South African millennials' intention to purchase from Facebook vendors.

This outcome is surprising both in offline and online business platforms – and is contrary to the findings of various authors (Yahia *et al.*, 2018; Hajli, 2015; Hajli, 2013; Hajli & Sims, 2015). However, the study is similar to the findings of Mvula (2019) who conducted a study in the Western Cape and discovered no relationship between trust and purchase intention in mobile

marketing. From this study, it can be noted that the brand image of Facebook vendors is the only driver of South African millennials' intention to purchase from them.

5.2.10 Mediating effects

As shown in Table 14, the findings of this study indicate that there is no relationship between price, product differentiation, reviews and ratings, platform reputation, and purchase intention through the mediation of trust. Previous research indicated trust to be the major contributor to consumer purchase intention, particularly in an online environment (Yahia *et al.*, 2018; Hajli, 2015; Shin, 2013; Hajli, 2013). However, these findings are consistent with Mvula (2019) who found that trust has no mediating effect on the price and social support within mobile marketing in the bottom of the pyramid in South Africa. These findings reveal that the millennial market segment in South Africa within social commerce does not rely on trust to purchase. This provides a gap for scholars to further investigate the factors that can enhance trust within social settings which lead to purchase intent.

5.3 CONCLUSION OF THE CHAPTER

This chapter presented the demographic profile of the respondents of the study followed by the discussion of hypotheses results. The hypotheses were tested at a t-value of 1.96, which is the threshold. Out of nine hypotheses, only four were supported, with H4 being the strongest and H2 being the weakest. The findings revealed that trust does not have any mediating effect on the relationship between price, product differentiation, platform reputation and reviews, and ratings and purchase intention.

The following chapter provides a conclusion, recommendation, and implication for the thesis.

6 CONCLUSION

This chapter provides a conclusion, recommendations, and implication for this study.

6.1 CONCLUSION OF THE STUDY

The study was aimed at investigating the factors that drive social commerce purchase intention among millennials in South Africa. Before the study was conducted, a thorough literature review revealed that social commerce characteristics that were popular with millennials are reviews and ratings, recommendations and referrals and forums and communities (Hajli, 2015). However, the researcher identified Yahia *et al.* (2018)'s social commerce characteristics namely; price, platform reputation, product differentiation and reviews and ratings. This study assessed these variables with respect to how they affect trust amongst the millennials in South Africa. The study found that reviews and rating, product differentiation and price do have influence on trust.

Moreover, the researcher identified the understudied theory of Marketing 4.0, which had only been assessed once in social commerce development by Dash *et al.* (2021). This study therefore provided a second evaluation of Marketing 4.0 theory, adapting it for South Africa millennials. The study investigated how Marketing 4.0 dimensions - namely brand identity, brand image, brand integrity and brand interaction - affect social commerce purchase intention. The study indicated that of the four variables, only brand image showed a positive influence on purchase intention.

6.2 RECOMMENDATIONS

This study contributed to the body of knowledge, and recommendations for each construct are provided below.

6.2.1 Price and trust

The study discovered that price does not affect the trust of millennials within the Facebook Marketplace setting. As such, it contributes to the body of knowledge about the relationship between these two variables in a social commerce setting. This finding is important as it informs marketers that price does not necessarily influence the consumers to trust the sellers within a Facebook Marketplace setting. This indicates that marketers should try marketing strategies other

than using price to gain trust within social commerce platforms. Social commerce sellers should rather try loyalty programmes or any reward-based initiatives to encourage consumers to be closer and loyal to their products to gain trust.

6.2.2 Product differentiation and trust

A positive relationship between product differentiation and trust is evident according to the study. This means that the more unique or differentiated the products are that are sold in the Facebook Marketplace, the more consumers will trust the seller. These hypotheses suggest that marketers should ensure that, when adopting social commerce, they should offer unique products and products that cannot be easily found elsewhere. As part of the marketing strategy, the vendors should include unique services or product features to gain the trust of the millennial market segment within the Facebook Marketplace in South Africa. Furthermore, with this result, social commerce sellers can co-create with consumers and offer products according to the needs of each customer. Following these insights, marketers should encourage limited edition products, such as allowing consumers to choose designs, colours and characteristics of their desired products and services. Lastly, managers should strive to provide innovative and useful products that cannot be found elsewhere.

6.2.3 Platform reputation and trust

The findings indicate that platform reputation has a positive relationship with trust. It can be concluded that millennials tend to trust a social commerce business that operates on a reputable platform. This provides marketers with a recommendation that whenever they plan to open social commerce businesses, they should consider doing so on reputable platforms such as Facebook, Twitter, and Instagram which will lead the consumers to trust the vendor. According to this finding, the consumers trust the sellers because of the platform on which they operate. Marketers should further ensure they verify their company pages to ensure reputation, as there are many fake company pages.

6.2.4 Reviews and ratings and trust

The relationship between reviews and ratings, and trust exists. It is noted that reviews and ratings about goods and services provided on the Facebook Marketplace do influence millennials in South Africa to trust the seller. It is, therefore, extremely important for companies to offer services that will lead consumers to rate and share positive reviews about their company. Unlike traditional marketing which was a one-way activity, this finding provides insights to marketers about the power, or the influence, of customers within social commerce development. Marketers should understand that when selling a product or service on the Facebook Marketplace, most customers will trust them by hearing the views and past experiences of others. Thus, they must encourage consumers to leave reviews and comments - and incentivise them to do so by offering discounts. Vendors must also welcome negative reviews to improve their service over time.

6.2.5 Brand identity and purchase intention

The findings of the study indicated that brand identity does not influence purchase intention among the millennial segment. While brand identity is a strategy used by marketers to position a brand in customers' minds, these findings indicate that customers do not care about the position of the marketers' brands but rather focus on what they see - which is brand image. These findings remind marketers that they should not only focus on what they want to instil in consumers' minds but should rather focus on what customers will perceive after the product has been positioned, particularly in social commerce that involves millennials. Therefore, creating excellent service and experience will ensure a favourable brand over time and will increase sales and repeat purchase behaviour.

6.2.6 Brand image and purchase intention

The relationship between brand image and purchase intention was found to be significant. As previously discussed, brand image is what customers perceive about the brand. This variable is easy to measure as it assesses how consumers view a product, regardless of what marketers wanted to position. This finding shows that millennials in the Facebook Marketplace tend to purchase products that they perceive as having a good brand image. This relationship provides marketers

with insights on why they should focus on creating customer-focused marketing strategies and have a customer base to evaluate the brand positioning before it reaches a large number of customers. Brand marketers within the Facebook Marketplace should monitor the way consumers perceive the brand and should address negative views or comments by consumers to ensure a strong brand image.

6.2.7 Brand integrity and purchase intention

The results indicated that there is no relationship between brand integrity and purchase intention. While brand integrity measures the company's willingness to be reliable and stick to its promise, this finding is that the millennial age group within the Facebook Marketplace does not consider the integrity before any purchase. Though this relationship was not supported, marketers should consider that failing to deliver will damage the image of the company - which leads to purchase intention. Marketers should consider brand integrity as one of the strategies to ensure a good image is built over time. Lastly, keeping a good company reputation leads to customer loyalty and repeat purchases; therefore, in spite of this result, the managers should ensure good brand integrity.

6.2.8 Brand interaction and purchase intention

The study found that there is no relationship between brand interaction and purchase intention. This finding is surprising as previous studies have indicated that customers prefer interacting with brands to intend to purchase. The previous literature shows that customers tend to purchase when other customers share their good experiences. Brand interaction entails interactions initiated by the firm itself with consumers. This finding indicates that millennials within the marketplace do not consider interaction by a company before purchasing, but rather examine reviews that are interactions by other customers. It can be suggested that, rather than marketers should encourage experienced buyers to share their experiences about products or services, as customer reviews increase purchase intention, even the use of social media influencers will be beneficial. This will create brand communities that interact with each other to drive more purchase behaviour. Though this finding is surprising, managers should keep ensuring that they interact with the brands within social commerce platforms as this might benefit the company in other aspects of marketing, such as information sharing and product promotion.

6.2.9 Trust and purchase intention

This study reveals that there is no influence of trust on the purchase intention of millennials within the Facebook Marketplace in South Africa. Though several studies are contrary to this finding, this study supports Mvula (2019) who discovered that there was no significant relationship between trust and purchase intention. This finding indicates that millennials do not rely on trust to intend to purchase on the Facebook Marketplace. While trust is not a determinant of purchase intention, marketers in social commerce settings should ensure that they gain the trust of consumers. Trust can be built through reliable service and the quality of products offered to consumers. Managers should ensure that they further instil trust within their social commerce setting in order to see that they cannot use it for other business benefits other than purchase intention.

6.3. IMPLICATIONS

This research has theoretical and managerial implications for researchers and marketing professionals.

6.3.1 Theoretical

This study theoretically contributes to the literature on social commerce development, Marketing 4.0 theory, and the millennial market segment. It sheds some light on the effects of social commerce characteristics and Marketing 4.0 theory on trust and purchase intention respectively. The study improved on Yahia *et al.*'s (2018) social commerce study and applied Facebook Marketplace instead of Instagram using the millennial market segment.

The research found new discoveries which include hypotheses and outcomes. As Marketing 4.0 theory has been understudied, this study scrutinised the constructs of Marketing 4.0 theory on the purchase intention of millennials within social commerce and integrated them with Yahia *et al.*'s (2018) social commerce characteristics. In this study, four variables were found to have a positive relationship with trust and brand image on purchase intention - namely product differentiation,

reviews and ratings and platform reputation. This is in line with previous research. However, variables such as price did not influence trust - and brand identity, brand interaction and brand integrity had no significant influence on purchase intention. Trust and purchase intention revealed no relationship, which was contrary to the literature but was in line with one study conducted within a similar setting in Western Cape. These findings provide scholars with a gap to further investigate the influence of these variables on social commerce purchase intention, particularly in Marketing 4.0 and social commerce characteristics.

6.3.2 Managerial

The implication for marketing professionals regarding the millennial target market segment, particularly in southern African developing countries, is that marketers should support millennials in the social commerce setting, considering that buying and selling on social media platforms is low in terms of adoption. According to the findings of this study, reviews and ratings, platform reputation and product differentiation had a positive effect on trust within the social commerce phenomenon, and brand image was found to enhance the purchase intention of millennials. This shows that marketers should strive to improve brand integrity, brand image, and interaction within the Facebook Marketplace in South Africa by consulting the millennial segment - and later, assess if these unsupported variables can lead to purchase intention when carefully applied in the Facebook Marketplace.

6.4. LIMITATIONS AND FUTURE RESEARCH

This study was conducted in South Africa through the distribution of a questionnaire to millennials in two different regions – namely the Western Cape and Gauteng provinces. Due to time and budget, the sample size was only 261 millennials. A future study could assess similar variables and run a multi-level analysis using different continents and broad types of social media platforms to assess if there are any variations in terms of social commerce behaviour at a global level.

This study was critical in terms of scrutinising the variables to be measured, as only two studies have been conducted in Marketing 4.0 and social commerce, and they provided inconsistent outcomes. Future research could assess variables such as transaction security, demographics, purchasing power, shopping convenience and response to queries.

Lastly, according to the literature review in this study, some authors still retain different definitions of social commerce, its types, and its characteristics. A thematic analysis or review research is required to assess and design criteria for social commerce terms.

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APPENDIX A: RESEARCH INSTRUMENT



UNIVERSITY OF CAPE TOWN
FACULTY OF COMMERCE
Igniting Knowledge and Opportunity



Dear respondent:

A Master of Business Science (Marketing) student at the University of Cape Town conducts this research questionnaire. The purpose of the research is to investigate factors that drive social commerce purchase intention amongst the millennial in South Africa focusing on Facebook network. This research has been approved by the Commerce Faculty Ethics in Research Committee.

Note that your **participation in this research is voluntary**. You may choose to withdraw from the research at any time. The study will require you to provide some identifiable information, however **all responses will be confidential**. Therefore, participation in this research will remain completely anonymous. Note that your responses will be used for the purpose of this research only.

The research questionnaire will take approximately **5-10 minutes** to complete.

Should you feel the need for any further questioning regarding the research, you may contact the following persons:

Researcher: Mr Melikhaya Kiza (melikhayakiza@gmail.com)

Supervisor: Dr Sipiwe Dlamini (sipiwe.dlamini@uct.ac.za)

Investigating the factors that drive | social commerce purchase intention on Facebook

Please answer the following questions:

1. Were you born between 1980 and 1999? Yes No

2. Do you currently reside in the Western Cape or Gauteng province? Yes No

3. Please tick the province you reside at Western Cape Gauteng

4. Are you familiar with Facebook shopping? Yes No

If “Yes” in all of the above questions, please continue with the rest of the questionnaire. If “No” in one of the above questions, you do not need to complete the rest of the questionnaire. Thank you for your time.

Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents ‘Strongly Disagree’ and (7) represents ‘Strongly Agree’

Price	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Yahia <i>et al.</i> (2018)							
The prices on Facebook Marketplace are reasonably priced.	1	2	3	4	5	6	7
The products of Facebook Marketplace are a good value for the money.	1	2	3	4	5	6	7
The products on Facebook Marketplace are cheaper than the ones found elsewhere.	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number. Note that (1) represents ‘Strongly Disagree’ and (7) represents ‘Strongly Agree’

Platform reputation	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Yahia <i>et al.</i> (2018)							
Facebook purchasing is reliable	1	2	3	4	5	6	7
Facebook site could be trusted.	1	2	3	4	5	6	7
I feel secure when I buy on Facebook Marketplace because I know that it will never let me down.	1	2	3	4	5	6	7
Facebook site would be honest and truthful to me.	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents ‘Strongly Disagree’ and (7) represents ‘Strongly Agree’

Product Differentiation	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Yahia <i>et al.</i> (2018)							
Facebook Marketplace offer products that I cannot find elsewhere.	1	2	3	4	5	6	7
Facebook Marketplace give me the opportunity to get unique products.	1	2	3	4	5	6	7
Facebook Marketplace generally offer extra ordinary high quality products than traditional stores	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number. Note that (1) represents ‘Strongly Disagree’ and (7) represents ‘Strongly Agree’

Reviews and Ratings	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Yahia <i>et al.</i> (2018)							
Facebook Marketplace have many followers.	1	2	3	4	5	6	7
Facebook Marketplace receive many likes on their products	1	2	3	4	5	6	7
My friends recommend Facebook Marketplace	1	2	3	4	5	6	7
Reviews are good about Facebook Marketplace	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number. Note that (1) represents ‘Strongly Disagree’ and (7) represents ‘Strongly Agree’

Trust	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Yahia <i>et al.</i> (2018)							
Facebook Marketplace can be trusted	1	2	3	4	5	6	7
Vendors on Facebook Marketplace are reliable	1	2	3	4	5	6	7
Vendor on Facebook Marketplace would be honest and truthful to me	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents 'Strongly Disagree' and (7) represents 'Strongly Agree'

Dash <i>et al.</i> (2021)	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Brand Identity							
The brand design of products I have seen on Facebook markeplaces seems okay to me.	1	2	3	4	5	6	7
The brands that I have seen on Facebook Marketplace seem stylish to me	1	2	3	4	5	6	7
The brands that I have seen on Facebook Marketplace have a good reputation	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents 'Strongly Disagree' and (7) represents 'Strongly Agree'

Dash <i>et al.</i> (2021)	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
Brand Image							
The brands I have encountered on Facebook Marketplace have some unique elements	1	2	3	4	5	6	7
I find the brands on Facebook marketplce attractive and irresistible	1	2	3	4	5	6	7
The brands on Facebook Marketplace connects with my personal traits	1	2	3	4	5	6	7

Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents 'Strongly Disagree' and (7) represents 'Strongly Agree'

Dash <i>et al.</i> (2018)	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
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Brand Reputation

Trust in a brand is very important for me on Facebook marketplace

1	2	3	4	5	6	7
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The brand on Facebook Marketplace offers credibility of the product

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Reliability of the brand is very important me on Facebook Marketplace

1	2	3	4	5	6	7
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Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents 'Strongly Disagree' and (7) represents 'Strongly Agree'

Dash <i>et al.</i> (2018)	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
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Brand Interaction

I think brand conversations strengthens my relationship with the brand on Facebook Marketplace

1	2	3	4	5	6	7
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I believe in contributing to the brand as a customer through word of mouth on Facebook Marketplace

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Co-creation is important for meeting specified conformance standards from customers through Facebook Marketplace

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Please indicate how much you agree or disagree with the following statements by selecting a number.

Note that (1) represents ‘Strongly Disagree’ and (7) represents ‘Strongly Agree’

Dash <i>et al.</i> (2018)	Strongly Disagree (1)	2	3	Neutral 4	5	6	Strongly Agree (7)
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Purchase intention

I have the willingness to buy on
Facebook Marketplace

1	2	3	4	5	6	7
---	---	---	---	---	---	---

I have the capability to buy on
Facebook Marketplace

1	2	3	4	5	6	7
---	---	---	---	---	---	---

I have intentions of shopping
from Facebook Marketplace in
the future

1	2	3	4	5	6	7
---	---	---	---	---	---	---

I do have a need to purchase
from Facebook Marketplace.

1	2	3	4	5	6	7
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Thank you for making it this for in the questionnaire. Note that responses will remain completely anonymous. Please answer the following:

	Please indicate your age.						
Please indicate the gender you identify yourself with							
Male		Female		Other		Prefer not to answer	
	Please indicate the race you identify with.						
Asian	Black	Coloured	Indian	White	Prefer not to answer		

Thank you for your cooperation and time