



## Adoption of Transaction-focused Social Commerce by Fashion Product Merchants: A Study of WeChat Commerce in China

Jing Sun, Jihyeong Son and Ting Chi  
Washington State University, USA

Keywords: Social commerce, e-commerce, WeChat

**Introduction and literature review.** Fashion products, including apparel, accessories and shoes, are the most popular product category in electronic commerce (e-commerce) (Nielsen, 2014). Social commerce, or social business, can be considered as a subset of e-commerce. Social commerce has emerged in the social media environment while increasing numbers of fashion companies are aware of the opportunities of reaching out to more consumers by social media. Based on different activities conducted in social commerce, Hennig-Thurau, Hofacker, and Bloching (2013) distinguish between the information-focused social commerce and transaction-focused social commerce. The information-focused social commerce emphasizes the word-of-mouth effects, for example, the effect of “product evaluation by the potential buyer's friends” (Hennig-Thurau et al., 2013, p. 239). The transaction-focused social commerce refers to the direct selling and buying activities conducted in the social network. Previous studies in social commerce mainly address information-focused issues, while the transaction-focused issues are still not fully understood. Additionally, more research has been conducted on consumer's attitudes and intentions to use social commerce, while there is a lack of research from the merchants' perspectives in social commerce literature. Therefore, this research aims to understand the application of transaction-focused social commerce in fashion products retail from the merchants' perspectives. The theoretical foundations for this study are the technology adoption model (Davis, 1989) and the information system success model (DeLone & McLean, 1992). The technology adoption model provides the basic framework for the antecedents of the adoption of a technology. The information success model explains the determinants of the success of such system. With the guidance of these theoretical foundations, this study emphasizes the following research questions: (1) What are the motivations of adopting transaction-focused social commerce? (2) What are the benefits of using transaction-focused social commerce? (3) What are the barriers for using transaction-focused social commerce?

**Method.** To investigate and answer these questions, WeChat, one of the largest social media in China, was selected as a transaction-focused social commerce platform. WeChat had 1.1 billion registered accounts and 650 million active users in 2015 (Smith, 2016). WeChat was originally launched as a chatting mobile app with the function of sharing personal status and online articles. A payment and funds transfer function was established for transactions in 2013. Currently, many merchants found WeChat a unique way to interact with their customers, brand followers, as well as make transactions.

Given the novelty and lack of research in transaction-focused social commerce from the merchants' perspectives, this study employed a qualitative research method. Snow ball sampling was used to recruit participants. Fifteen in-depth international phone interviews with fashion

product sellers through WeChat in China were transcribed in Chinese and translated into English, which were subsequently analyzed according to the thematic analysis procedure using NVivo.

**Findings and Discussion.** Participants are motivated to adopt social commerce for the following reasons: (1) career path, (2) motivation by others, (3) financial profit, and (4) technology factors. Participants honor the value of conducting social commerce in their career path. They are noticed by more customers and practice their sales skills. Some participants were motivated by their peers and customers. Social commerce can help participants make financial profits. In addition, WeChat provides user friendly, fast communication, and secured technologies, which are useful and easy to use when communicating with customers and conducting transactions.

Participants also discussed the benefits of using social commerce. Compared with traditional e-commerce, this social network utilizing the big customer base is the biggest benefit for promoting and selling fashion products to their friends and families on social media, then reaching to more customers after they establish a good reputation. Within the established social network, merchants know their customers better, and customers have more trust in the merchants. In addition, conducting social commerce in an already adopted social media platform is cost effective compared with having a physical retail store or starting a new website.

However, the barriers for conducting social commerce are also noticed by participants. Consistent with e-commerce, social commerce merchants face the problem of lack of face-to-face communications, absence of physical products, and difficulties with returning products. Moreover, social commerce relies heavily on the social network and communication with customers. Thus, the social commerce merchants can be short of time for customer service when they have too many customers. One challenge raised specifically for the WeChat platform is the restrictions and technology barriers of conducting business, such as limitations on the number of pictures in a post, and the limit for each fund transaction. The WeChat team has developed a related app, WeShop, to formalize social commerce and facilitate social commerce for merchants. Many fashion companies in China have developed public accounts with WeChat for conducting social commerce.

This study reveals the motivations, benefits, and barriers of conducting transaction-focused social commerce from the merchants' perspective which provides valuable insights to both scholars and practitioners.

## References

- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 319-340.
- DeLone, W. H., & McLean, E. R. (1992). Information systems success: The quest for the dependent variable. *Information Systems Research*, 3(1), 60-95.
- Hennig-Thurau, T., Hofacker, C. F., & Bloching, B. (2013). Marketing the pinball way: Understanding how social media change the generation of value for consumers and companies. *Journal of Interactive Marketing*, 27(4), 237-241.
- Nielsen. (2014). *E-commerce: Evolution or revolution in the fast-moving consumer goods world?*
- Smith, G. (2016). By the numbers: 50+ amazing WeChat statistics. *DMR*. Retrieved from <http://expandedramblings.com/index.php/wechat-statistics/>