Factors Influencing Intention of Facebook Fans of Companies to Convert into Actual Buyers

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ABSTRACT

Recently, a new wave of business opportunities has emerged by integrating social media and commerce. Although many hospitality organizations have considered online social communities as potential channels for promotion, most of them have failed to obtain sales from community members. Therefore, the purpose of this study was to propose and examine a new research model that can capture cognitive- and affective-based trust elements influencing fans' behavioral intention to purchase by affecting their firm commitment. A survey of 393 Facebook participants found strong support for the model. The results indicated that Facebook fans' perceptions of firm commitment could be a strong predictor of their buying intention. Factors of building cognitive trust (i.e. perceived reputation, perceived ability, and information quality) as well as affective trust (i.e. perceived benevolence, perceived integrity and perceived social presence) were the critical components significantly influencing fans' firm commitment. Theoretical and practical implications of the results are discussed.

KEYWORDS

Affective-Based, Cognitive-Based, Facebook Fans, Information Quality, Perceived Ability, Perceived Benevolence, Perceived Integrity, Perceived Reputation, Perceived Social Presence, Research Model,

1. INTRODUCTION

Social networking sites (SNSs), defined as web-based services, have been around since the mid-90's, but in recent years, social networking has exploded across the Internet, providing people with three major capabilities (Boyd & Ellison, 2007): First, the capability to build a public or semi-public profile; second, the capability to find a list of other users with whom a connection is shared; and third, the capability of individuals to observe and track their connections as well as those made by others. Popular SNSs include Facebook, MySpace, Friendster, Twitter, and so on. From 2012 to 2019, Facebook surged past MySpace to become the most popular social network (Nations, 2013). According to Rouse et al. (2010), a Facebook "fan" is a user who "likes" a particular page. If users choose to click "likes" for a page, they are then able to get updates from that page's administrator through status updates, link posts and event invitations. Fans display lists of pages they have "liked" on their profile, under the "interests" section of their information tab. Furthermore, a Facebook company fan page is a Facebook page specific to a business/organization, as opposed to a personal

page (Squidoo, 2013). Those who launch a Facebook company fan page do so in order to market a business or to collect interested fans in one place online. Then once a hospitality firm makes a Face book company fan page, it can communicate to all fans regularly on their personal feed.

In today's highly competitive environment, hospitality practitioners have responded to the opportunities offered by the Internet by reducing costs and providing real time information to promote and sell their products to consumers (Corritore et al., 2003; Kim et al., 2013; Pernsteiner & Rauseo, 2000). SNSs are having a great impact on the development of businesses. To stay competitive and increase revenue, organizations, especially hospitality organizations, are increasingly learning to exploit the potential of SNSs, such as Facebook, for marketing and growth (Hutchings, 2012). Therefore, many hospitality firms create and make use of their own Facebook company fan page in order to collect fans and maintain their relationships with their fans. As a practitioner, through the Facebook fan/business page, you can put the photos, videos, articles, links, discussions, events, news, offers, and all forms of information-related to your business in one place, your Facebook business page. Your customers will get updated with the latest offers and news related to your products/services. You can directly interact with your customers, ask for their feedback/suggestions about your products/ services and also create a pre-launch offer on your page to test your product or service with them before launching it on the market. You will thereby get genuine feedback from your loyal customers.

Because the value of social networking continues to increase, a new wave of opportunities has resulted from the integration of social media and commerce. Hospitality organizations are learning how to embrace social media and combine it with commerce to fully monetize their online initiatives. Although many organizations have considered online social communities as potential channels for promotion, most of them have failed to obtain sales from community members (Shan et al., 2005). This phenomenon raises questions, such as: What factors will actually contribute to fans' intention to convert into actual buyers? Understanding the factors which influence fans' intention to transform into online buyers is indispensable for achieving the successful implementation of the company fan page. The answers to the question related to the relevant factors may be useful for hospitality organizations to develop broader relationships with their fans, facilitate hospitality firms in their endeavor to benefit from their fans and finally increase their sales.

While some studies have examined the influence of Facebook in various ways (Baek et al., 2011; Mehdizadeh, 2010; Tong et al., 2008; Zhao et al., 2008), limited efforts have been made to explore factors influencing hospitality company fans' intentions to convert into actual buyers in the context of Facebook. Related research asserts that fan commitment to a virtual community is important for cyber firms to gain benefits from the community (Gupta & Kim, 2007). Also, researchers in marketing have pointed out that trust leads to a high level of firm commitment, i.e. a strong desire to maintain a relationship (Crosby et al., 1990; Crosby et al., 1996). One useful perspective posits that two major types of trust can be recognized: cognitive trust and affective trust (McAllister, 1995). Therefore, the purposes of this study are twofold: 1. to propose and examine a new research model that can capture cognitive- and affective-based trust elements influencing fans' firm commitment; and 2. to investigate the impact of commitment on fans' behavioral intention to purchase.

2. PROBLEM FORMULATION

2.1 Social Commerce (s-commerce)

S-commerce was officially created by David Beach (Beach, 2005), the product manager of Yahoo! Shopping. Yahoo! Shopping released two essential applications, Shop sphere and Pick Lists, to enhance the company's core shopping search capabilities. The Shop sphere is a place to look for interesting and useful products thematically arranged into Pick Lists by other shoppers. Pick Lists are lists of products on any topic. With Pick Lists, customers can share their knowledge about products which they have investigated, for the advantage of the community. Customers can see a Pick List in the Shop

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