FACTORS INFLUENCING THE SUCCESS OF SMALL/MEDIUM BUSINESSES THROUGH SOCIAL COMMERCE

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ABSTRACT

The purpose of this study is to study the factors that can influence consumers to make purchase through social media and to identify which factors can SMB brands control to be able to influence consumers' decision.

The results of the qualitative research show that convenience is the key driver to influence purchase decision on social media as it is already part of their daily ritual and the quality of the product needs to match the promise as this is one of the obstacles indicated by the respondents as opposed to when they shop in an actual store where they can evaluate the product and make transaction right away. The recommendations aim to provide SMB brands with actionable strategies and areas they need to focus on to become successful on building their business through social commerce.

KEYWORDS: social media / ecommerce / purchase decision /
                online shopping / small and medium businesses

52 pages

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CHAPTER I
INTRODUCTION

1.1 Background of the study

This study intends to understand Thai consumers behaviour on social media on what factors motivate them to make purchase decision through social media and how can small/medium businesses (SMB brands) influence these factors to enable them to become more successful through social commerce.

In the past decade, internet users in Thailand increased from 10 million to 38 million (Figure 1.1 NECTEC data) which is approximately 56% of total Thailand population at 68 million. Out of the 38 million online population, 38 million are active on social media with Facebook and Line as platform leaders (Figure 2.1, We Are Social SG). From recent research by We Are Social 2015, Thais spend an average of 8.6 hours on the internet and 44% have purchased a product or service online in the past month. Social media in Thailand emerged as a platform for users to connect with one another; sharing photos and stories. Now, it has evolved into a platform where it is not limited to only users but for brands to connect and engage with their target audience. As the number of internet users and social media users in Thailand continue to grow rapidly so does the e-commerce market as well as social commerce.

Together with the rising internet penetration, e-commerce market is expected to boom in 2016 with over US$3,010 million (THB 109,052 million) in revenue which is 24% growth from 2015 (Figure 3.1, Statista eCommerce in Thailand). Social commerce is a subset of e-commerce that focuses on sales that occurs on social media platform such as Facebook, Instagram, Line, Pinterest. BI Intelligence (2015) concluded that "*Social (media) is driving much bigger increases in retail traffic than any other online channel. Social media increased its share of e-commerce referrals nearly 200% between the first quarters of 2014 and 2015*". Social commerce enables SMB brands to set up "online stores" to provide better access for their consumers and to be able reach its target audience more effectively in terms of

message and cost. SMBs can use social media as their main channel to advertise its product/service, interact with its followers and convert sales. When comparing social media online store and traditional physical store in terms of investment, online store helps SMBs to have smaller initial investment and more freedom to offer its products/services and the best thing is that it is not limited geographically meaning you can reach audience who are interested in your product from other provinces and countries.

According to AMI Partners data in 2013 (slide 6), there were 2.3 million SMB population Thailand. If we take a closer look at the data breaking it down into 3 segments of SMBs which are Home Based Business (HBBs, fully operated within the business owner's home), Small Business (SB, have less than 100 employees based in commercial location) and Medium Business (MB, has between 100-999 employees, may include firms that are a part of a larger corporate network), we found that HBBs segment is the largest segment in Thailand with over 1.4 million businesses and over 760,000 of that amount operate through smartphones. It can be inferred from this information that the significance of internet usage and the rise of SMBs in Thailand have help shaped the change of consumers making online purchase decision especially through a smaller screen like mobiles and tablets as opposed to traditional brick-and-mortar shops.

Ultimately, by combining internet penetration, social media usage and e-commerce growth. Consumers are more confident to purchase goods online, approximately 11.7 million users in 2016 (Figure 6.1 e-commerce users by age group). Purchasing goods online has become a norm that consumers are used to and is becoming more familiar with the process, even though it is still a cumbersome and lengthy process. With consumer behaviour changing and opening up to e-commerce even more, this results in growth of SMBs in Thailand. When setting up your online store is as easy as only a few clicks and photos away, it is very appealing for SMBs to come online through social media like Facebook, Instagram, Line and YouTube.
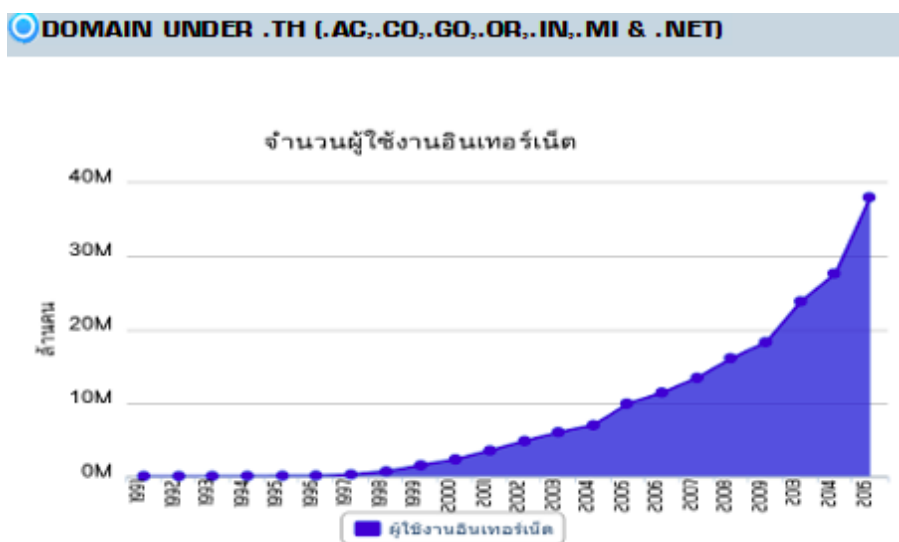
Figure 1.1 Internet users in Thailand

Source: http://internet.nectec.or.th/webstats/home.iir
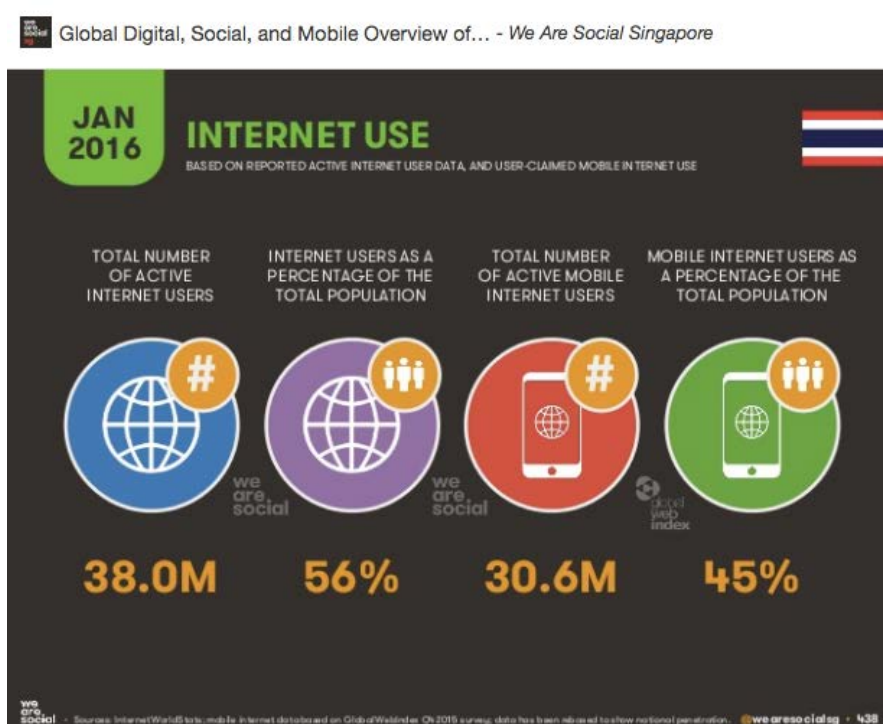
Figure 1.2 Internet use in Thailand. Global Digital, Social, and Mobile Overview of Thailand, Digital in 2016 by We Social.

Source: http://www.slideshare.net/wearesocialsg/digital-in-2016/434
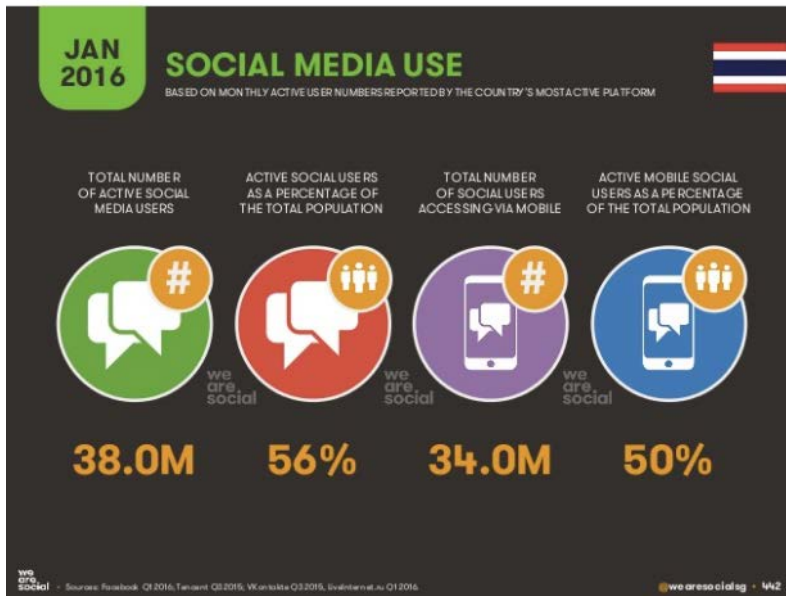
Figure 1.3 Social Media Use in Thailand.

Source: http://wearesocial.com/sg/special-reports/digital-2016

Figure 1.4 Snapshot of Thailand SMBs

Source: AMI Partners Asean SMB Business Universe – Executive Summary 2014
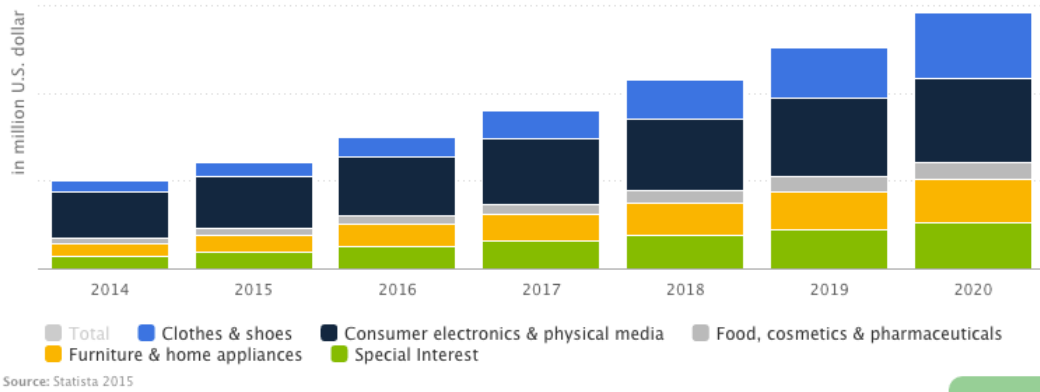
Figure 1.5 Revenue of e-commerce in Thailand in million US Dollars

Source: https://www.statista.com/outlook/243/126/ecommerce/thailand#market-revenue
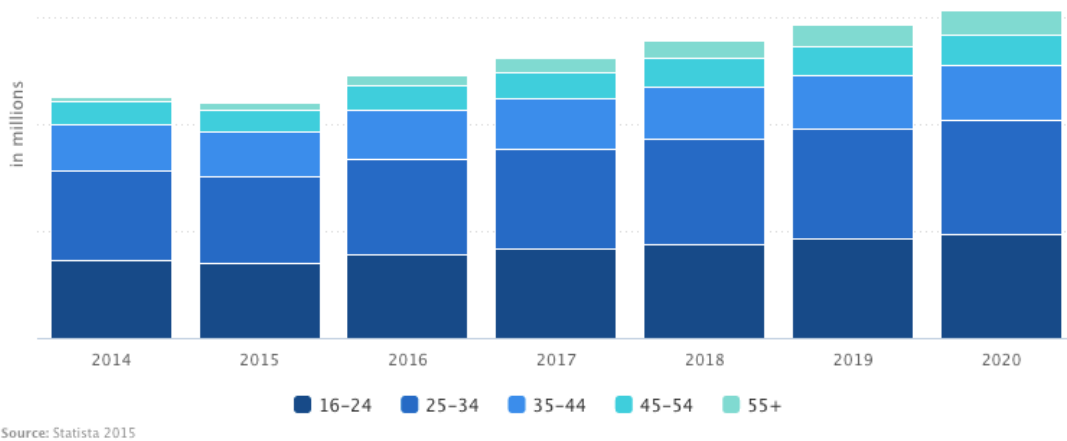
Figure 1.6 e-commerce users by age group

Source: https://www.statista.com/outlook/243/126/ecommerce/thailand#market-ageGroup

Social Media Platform Use

- Over 90% respondents currently use Facebook for personal use.
- (i) Consistent with usage of paid ad platforms, TH respondents use Facebook, Line and Instagram at significantly higher rate than all other markets.
- The top 2 purposes of using social media platforms are for social networking and staying in touch with the latest updates/ news.

Social Media Platforms Currently Using for Personal Purpose (n=1008)

	ALL	🇸🇬	🇲🇾	🇵🇭	🇹🇭	🇻🇳	🇮🇩
Base	1008	111	114	110	222	221	230
Facebook	91%	88%	93%	95%	95%	83%	94%
YouTube	72%	68%	75%	82%	74%	71%	67%
Google +	61%	44%	59%	67%	60%	60%	70%
Instagram	54%	45%	67%	59%	67%	31%	60%
Twitter	49%	45%	55%	60%	44%	32%	63%
WhatsApp	48%	86%	94%	16%	23%	10%	82%
Line	47%	32%	35%	15%	93%	23%	53%
LinkedIn	26%	46%	38%	35%	11%	8%	40%
WeChat	24%	26%	61%	16%	20%	13%	23%
Pinterest	16%	16%	26%	28%	11%	3%	21%
Tumblr	10%	8%	18%	20%	8%	3%	10%
Reddit	4%	7%	6%	10%	4%	1%	3%
QQ	3%	12%	10%	2%	3%	1%	0%
Qzone	1%	2%	1%	1%	3%	0%	1%

Note: % significantly higher than other markets; % significantly lower than other markets

Purpose of Using Social Media Platforms (n=1003)

Social networking/ personal communication	88%
Keep up with activities, news, current events etc.	85%
Learn about product(s)/ service(s)	68%
Learn about information relevant to my business	66%

Significantly more TH SMEs learn about products/ services (80%) and information relevant to their business (80%) via social media platforms. (i)

Significantly less SG SMEs learn about products/ services (49%) and information relevant to their business (48%) via social media platforms. (i)

Figure 1.7 Social Media Platforms currently using for Personal use

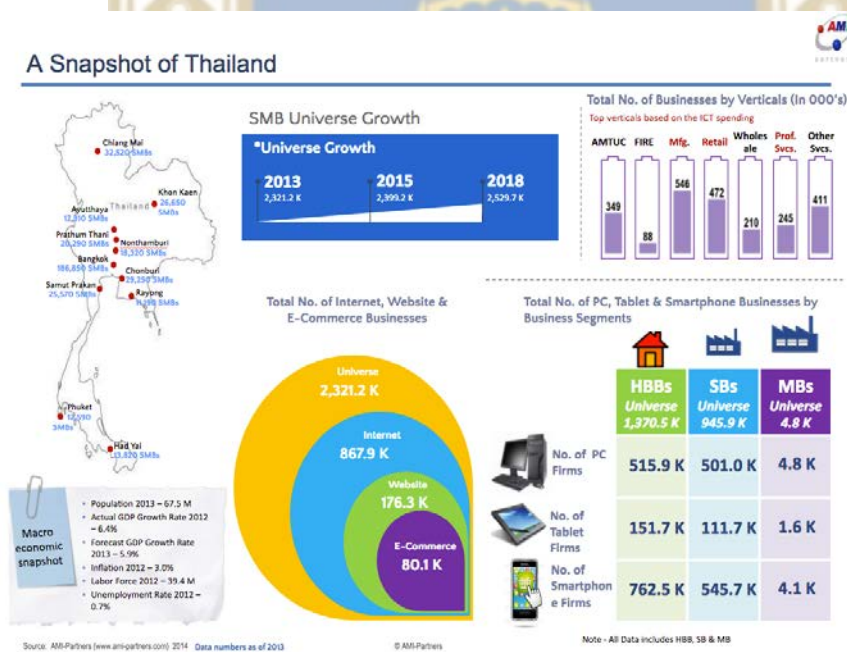Source: Capitalis, 22 April 2016

1.2 Problem Statement

In Thailand there are over 2.3 million SMBs and 37% (868,000) of the total SMB population are either internet only, have online presence or is an e-Commerce. Considering Thailand has one of the highest number of the popular using social media platforms like Facebook, Instagram and Line, the number of businesses online is tremendous. The market potential of SMBs in Thailand (internet, online presence and e-commerce) is approximately $640 million out of $1.5 million in total. This posed a challenge for SMB brands to break through the clutter and noise to make their brands stand out to the target audience. A possible solution that will equip SMB owners who want to operate on social media platform will be by understanding the factors that consumers go through when making a purchase decision through social media channels and try to influence those factors to enable SMBs to achieve business goals.

1.3 Aims of the study

1.3.1 Research question

What factors influence online purchase decision on social media and how small/medium businesses can leverage them to achieve business success?

1.3.2 Research objectives

1.3.2.1 To study the factors that can influence consumers to make a purchase decision through social media

1.3.2.2 To identify which factors can SMB brands influence consumers' decision on social media

1.3.3 Research scope

According to e-commerce population by Statistia 2016, female age between 16-24 and 25-34 (also known as Gen Y) made up most of the e-commerce users in Thailand. The Gen Y population grew up with the internet and smartphones or currently working using smartphones and internet. For 25-34 age group is identified as "*more cautious about spending, they are smart consumers, as they appreciate spending money for products and brands that help improve their image and reflect their high social status*" – Watchiranont Thongthep, The Nation, December 18 2014. Therefore, the research will be conducted through qualitative method using interviews with 20 female in 25-34 age group about their views on social media commerce, including but not limited to Facebook, Instagram, Line, Pinterest, and what they consider before making a purchase.
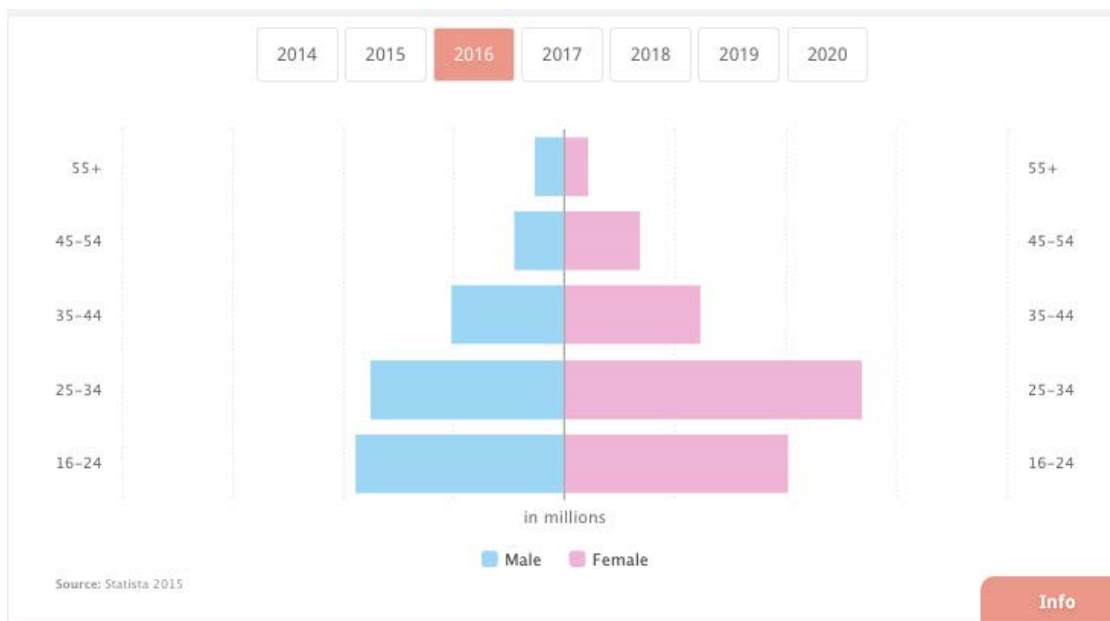
Figure 1.8 e-commerce population broken down by age group and gender

Source: https://www.statista.com/outlook/243/126/ecommerce/thailand - market-ageGroupGender

1.2.4 Expected Benefits

This research aims to provide SMB brands with actionable strategy to become successful in social commerce by understanding consumer behaviour and their decision making process towards online shopping.

CHAPTER II

LITERATURE REVIEW

This literature review consists of the factors that influences online purchase decision on social commerce. These factors will be categorised into factors that are within consumers' choice and preferences and factors that SMBs can influence to help consumers make online purchase decision through social media.

2.1 Social Commerce

"*Social commerce is a subset of electronic commerce that involves social media, online media that supports social interaction, and user contributions to assist online buying and selling of products and services.*", according to Dr. Paul Marsden. In 2010, marketers began looking for ways to monetize social media, as introduced above, Thais spent plenty of time on Facebook and every active internet users have a Facebook account. Social commerce enhances consumers' shopping experience in three stages: product discovery, product selection and product referral (Marsden, 2011). Because there are so many people spending their time on social media, they are invested in the platform; their photos and journey of their digital life is hosted on social media platform. They are familiar with how the platform works, they can connect with their friends, discover new products and information and they can access it from anywhere at anytime. Due to this amount of population on social media, brands can develop strategies to "*help people connect where they buy*" or "*help people to buy where they connect*" (Marsden, 2011).

2.2 Consumers' attitudes

2.2.1 Shopping motivation

According to Dange and Kumar (2012) in their FFF Model, there are external and internal factors that have impact on buying motives. External factors are out of consumers' control which are demographics, socio-economics, technology and public policy, culture, reference group and marketing. Internal factors include attitudes, learning, perception, motivation, self-image and semiotics. Consumers also have two type of buying two types of motives while shopping, which are functional and non-functional. Social interaction plays a huge role in consumers' purchase intention as they interact with one another. Consumers' circle of friends or reference ground can act as an accelerating agent to motivate consumers to appreciate or buy a product. It satisfies the belonging needs in Maslow Hierarchy of Needs (Maslow, 1943).
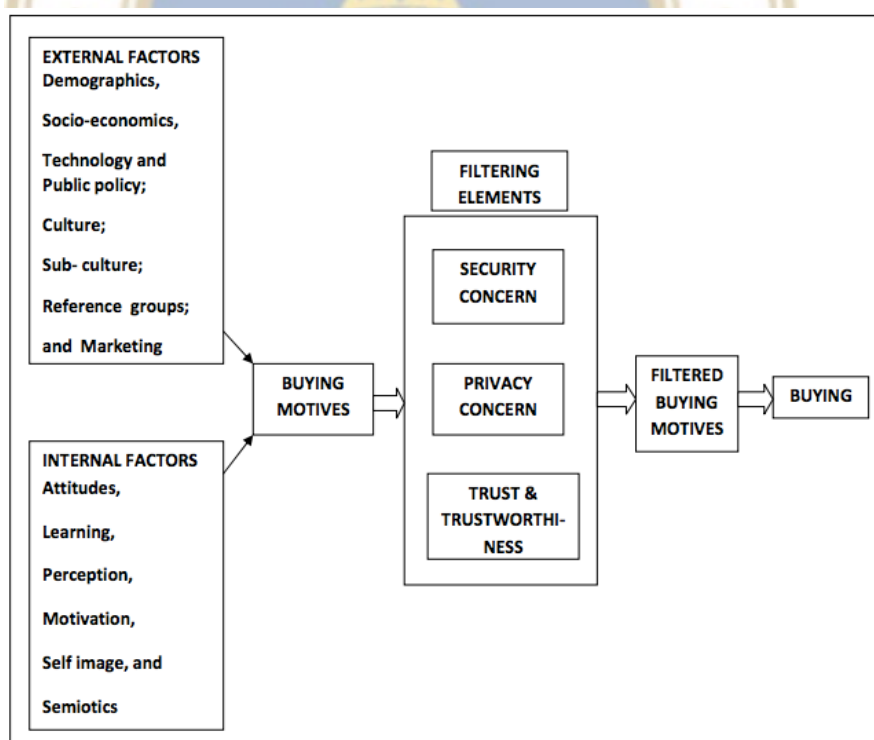
Figure 2.1, Online consumer buying behaviour motive model, Factors (F), Filtering elements (F) and Filtered buying motive (F); (FFF Model), Dange and Kumar, 2012.

2.2.2 Theory of Planned Behaviour

Theory of Planned Behaviour is the successor of the Theory of Reasoned Action of Ajzen and Fishbein (1975, 1980) which resulted in Perceived Behavioural Control. The theory consisted of Attitude to the Behaviour refers the degree in which a person is favourable or unfavourable of the behaviour in discussion, Subjective Norm refers to social pressure to perform the behaviour in question and Perceived Behavioural Control is defined as the level of difficult to perform the behaviour. When a consumer have positive attitude towards online shopping plus peer pressure from their social circle, and lastly, how easy it is to purchase goods or services online. However, it is arguable that such approach to predict a person's behaviour using these two concepts is difficult to distinguish and have very ambiguous correlation to one another (Azjen, 1991).
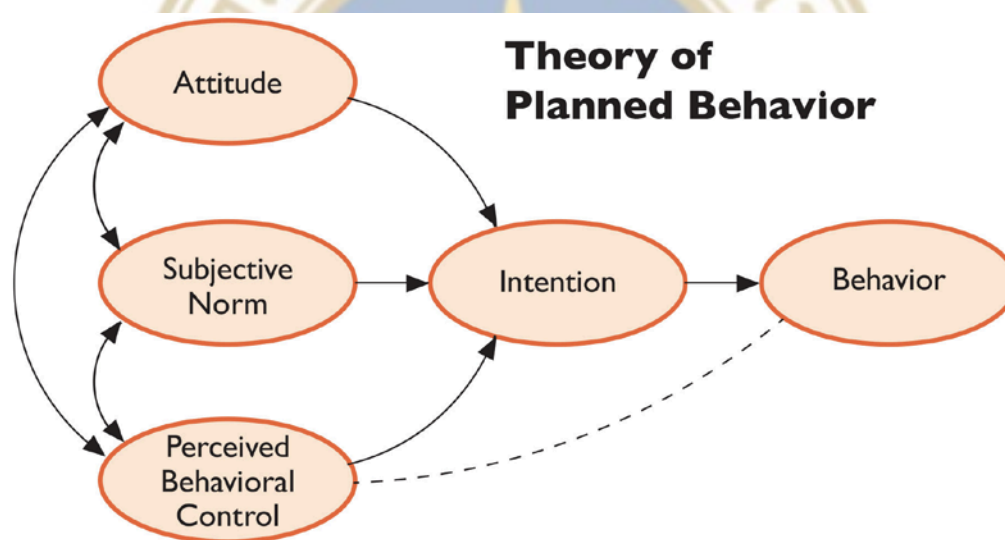
Figure 2.2 Theory of Planned Behaviour (TPB), Ajzen 1991

2.2.3 Technology Acceptance Model (TAM)

This theory provides a framework in order to understand consumers' adoption of technology in two aspects: Perceived Ease of Use which leads to Perceived Usefulness. This is especially critical to understand how TAM explains the consumers' acceptance of online shopping as these two factors directly impact consumers' attitude to trial or to withdraw. Xiao Tong (2010) concluded that there is a direct correlation to consumers attitudes and perceived usefulness and perceived ease of use with usefulness being the more dominant factor in determining consumer's

positive attitude towards online shopping. In other researches, it is also suggested that individual attitudes are strongly and positively correlated with user acceptance (Jayewardene, 2004).

2.2.4 Social Feedback Cycle

It is interesting to see the extension of traditional purchase decision model like AIDA Model which describes each stage consumers go through when they are making a purchase decision which breaks it down into 4 stages: attention, interest, desire and action (Rawal, 2013). Based on the popularity of social media and evolution of the platform to become a hub for consumers to share their feelings, stories, photos and opinions (Ze-Nian Li, 2014), it is undeniable how significant social media has impacted consumers' decision-making model through the introduction of an additional section which is user-generated feedback.
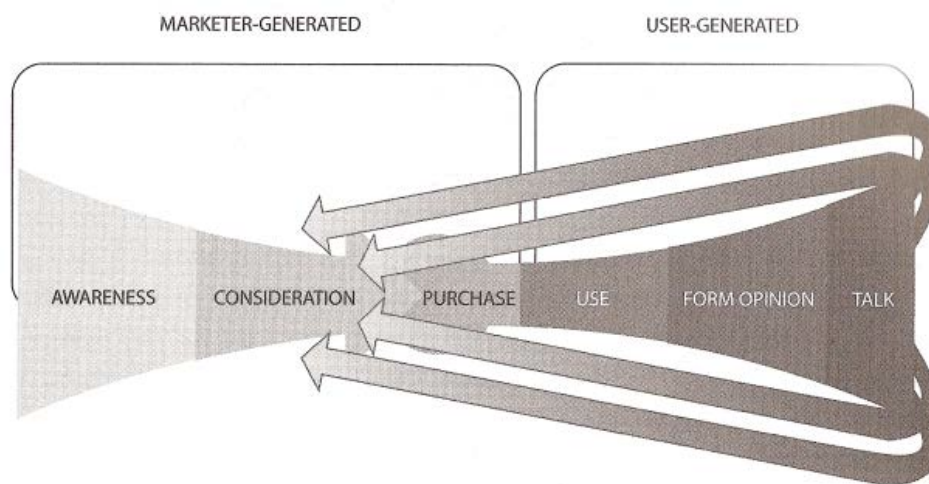
Figure 2.3, Social Feedback Cycle, Social Media Marketing: The Next Generation Of Business Engagement, David Evans, 2010.

"Recent studies have shown that of the estimated 3.5 billion word-of-mouth conversations that occur around the world each day, about 2.3 billion of them make a reference to a brand, product or a service." Dave Evans, Social Media Marketing: An Hour A Day.

The theory compartmentalize consumer's engagement stage into two sections; the marketer-generated and the user-generated. The Marketer-generated raise

awareness through advertising, PR, offline events that will lead consumers into consideration and ultimately purchase. However, as opposed to traditional theory, consumers' journey does not end there but it continues into post-purchase journey which translates into conversation driven by real consumers (Evans, 2010). These days when consumers are going to make a decision to purchase goods/services, they recognize the demand for its use whether that be functional or non-functional, they research for information online as opposed to visiting offline store, they seek out shared experience from others who have used the product/service (Evans, 2010). The conversation by consumers then lead non-users into Awareness and Consideration. The model is the post-purchase feedback and the sharing of the feedback that feeds back into the top of the traditional AIDA Model funnel (David Evans, 2011). The most important driver of this model is the customer satisfaction that will determine the formation of opinion (positive and negative experience through the journey) and generating positive of negative word of mouth (Gustaffsson, A., Johnson, M. J., & Roos, I. (2006).

When comparing the nature of social media marketing and traditional advertising like TV, the difference is tremendous and this is essential for SMB brands to understand the difference. For example, when advertising on TV, you are pushing the content to the audience and there is no communication from the audience (one-way communication). You have the control of when consumers see you (media planning). Whereas, social media is a two-way communication, even three-way sometimes, between the consumers, brand and between consumers. SMB brands cannot simply push content to the audience but the brands need to work to be present in consumers' conversation and consumers will choose to engage with your brand and share your stories (Evans, 2010).

The user-generated conversations (e.g. Product reviews) give feedback about the product and the most crucial action is consumers share and tell others about their experience. This brings the cycle back to consideration and awareness of the SMB brands consumers have interaction with.

2.3 Lifestyle and Behaviour

2.3.1 Convenience

As concluded in The Nation article (2007), Thailand ranks third in a list of countries where people are working excessively long hours, with 46.7 per cent of people working more than 48 hours per week. With day job demanding longer working hours, consumers have less time to visit actual store - the actual store visit is limited to only weekends, store opening hours and store location. In contrast to online shopping where consumers can access the online shop at any time and from anywhere and at the convenience of their mobile phones. Browsing for products online through mobile phones also give consumers privacy that they might not get from a store experience where salesperson might be pushing too hard etc.

2.3.2 Information search

Research from Digital in 2016 concluded that there are approximately 34 million Thais social users accessing via mobile and spend 3 hours and 53 minutes on average daily using internet through mobile phones. Most of the activities that happen on mobile are entertainment, such as watching video online, gaming or connecting with others through messaging apps (Digital in 2016, WeAreSocial). This represents a huge pool of opportunities for any brands, large or small, to intercept consumers when they are on mobile and offer them the right product and content that they look for. This contradicts to the traditional source of entertainment such as watching TV or going out for a movie etc.
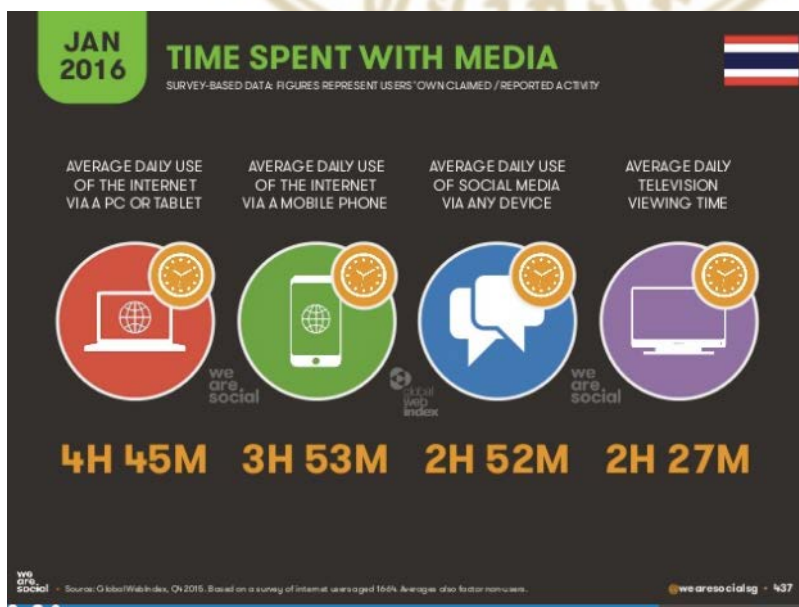
Figure 2.4 Time spent with media for Thais

Source: Digital in 2016, We Are Social.

Not only does Thai consumers are heavily connected to the internet, according to Google Consumer Barometer, 74% of them search about product information simultaneously through both online and offline channels.
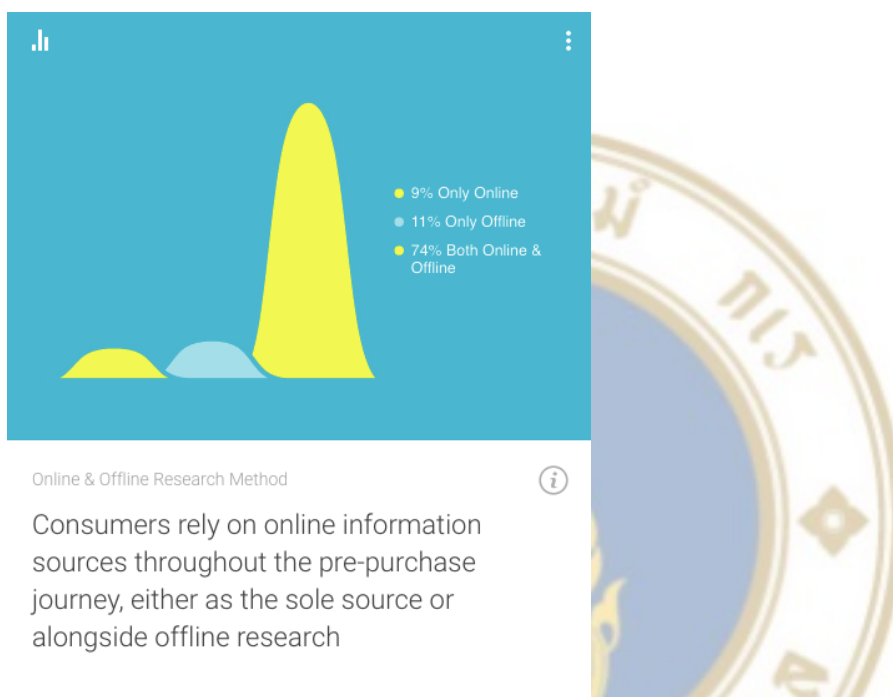
Figure 2.5 Google Consumer Barometer, 2016

2.3.3 Risks

From the study of An Analysis of Factors Affecting on Online Shopping Behaviour of Consumers (Javadi, Dolatabadi, Nourbakhsh, Poursaeedi, Asadolahi, 2012), it aimed to identify the risks that affected attitude in consumers towards online shopping. In the study, it identified the following perceived risks, real or in the consumers' perception: financial, product, convenience, non-delivery risk and return policy along with other service & infrastructural variables. It was concluded in the study that, "*financial risks and non-delivery risk negatively affected attitude toward online shopping*".

2.4 Customer satisfaction

This is derived from the experience consumers have with the brand (Johnson and Roos 2006). Customer satisfaction for online purchase is similar to traditional customer satisfaction model depending on quality of the products/services offer, security and trustworthiness and general customer service and level of interaction with consumers. As stated in the FFF Model (Dange, Kumar, 2012), the filtering elements will rinse consumers leaving with potential buyers breaking it down into three types of concerns: security concern, privacy concern and trust & trustworthiness.

2.4.1 Quality of products/services

Social media shopping or online shopping is unique in its own way due to the fact that consumers will not be able to physically examine the product to evaluate the product. They rely on images, given information and reviews from other users to make their decision. The more they relate to the review, the more it will influence their decision positively.

2.4.2 Security and trustworthiness

One of the most important element to operate successfully on social media platform for SMB owners is the security and trustworthiness to reduce perceived risks (Sheth and Parvatiyar, 1995). As mentioned above, consumers consider greatly about reviews on the product/service, therefore, it is important that we position our brand to portray these qualities as consumers seek ways to reduce uncertainty and one method to achieve that is to create channels of information that consumers can search for information quickly and effectively (Dowling & Staelin, 1994). The security in this case also rely deeply on the payment security and logistics of the product/service.

2.4.3 Responsiveness to customers

Linking back to social feedback cycle and customer satisfaction, consumers are now communicating with brands in a two-way communication unlike before. More than 81% of Thai Millennials own a smartphone compared to only 45% globally. It is essential for SMB brands to establish relationship with consumers to be present and

stay on top of their mind as long as possible. Social media is moving incredibly fast, therefore, if a customer wants to know more information about the product, payment, delivery, return policy etc., brands need to be agile to engage with consumers and close sales as fast as possible. Being responsive to consumers not only limits to communication, but also in the speed of delivery. The time of delivery through Thailand Post, for example, using EMS is approximately 3-4 days, therefore, if SMB brand owners can anticipate this, they can estimate the time of arrival of the package and inform the customers to ensure that their package is on its way.

2.4.4 Return Policy, other incentives

As mentioned above, real or perceived risk have impact on consumers' attitude on online shopping, especially financial and non-delivery risk which proved to have negative effect on consumers' attitude. The hypothesis around return policy is that it will have positive impact on consumers' attitude. Return policy aims to provide more convenience and reliability for consumers to guarantee their satisfaction of the product. Obviously, there will be conditions around the logistics of returning goods in combination with the options that the SMB brands can provide whether it be to pay back the amount in cash or to replace the item. Other incentives that could have impact on consumers' attitudes and satisfaction are other marketing and promotional activities such as giveaways, retention programs, minimum spend and give away free gifts or simply a discount promotion.

2.5 SUMMARY TABLE OF LITERATURE REVIEW

Finding
Consumers with favourable attitude toward e-shopping will be more willing to shop and spend time browsing e-retailers for their needs
Individual attitudes toward e-shopping are strongly and positively correlated with user acceptance
Calculative commitment is important because it captures the competitiveness of the value proposition. Whereas customer satisfaction and affective commitment focus on perceptions of an offering per se, calculative commitment reflects the viability of competitive offerings.

Reference	Data source	Method	IV	DV	Finding
A Model of Perceived Risk and Intended Risk-Handling Activity, 1994, Dowling and Staelin	74 respondents 444 empirical observations	Questionnaire and observations	Personal values, attitudes toward e-shopping attributes	e-shopping behaviour	FFF Model
Personal values' influence on e-shopping attitude and behaviour. Chanaka Jayawardhena, (2004).	626 respondents	Questionnaire			
The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. Gustaffsson, A., Johnson, M. J., & Roos, I. (2006).	48 participants for interviews and 2,734 respondents for survey	Qualitative Interviews and Survey	Situational trigger, reactional trigger, affective commitment,	Customer satisfaction	Retail companies should start taking measures to eliminate risk factor and build trust in this form of retail. retail managers should sway consumers through different platforms like social networking sites, ads, promotions, online only discounts etc. impact of subjective norms on online shopping behaviour proposes that online retailers should use

	Data source	Method	IV	DV
A Study of Factors Affecting Online Buying Behaviour: A Conceptual Model. Kumar, V., & Dange, U. (2012, April).			Internal (attitudes, perception, motivation etc.) & External (demographic, culture, marketing etc.), Filtering elements (security, privacy concerns and trust)	Consumer buying behaviour
An Analysis of Factors Affecting on Online Shopping Behaviour of Consumers. Javadi, Dolatabadi, Nourbakhsh, Poursaeedi, Ayatollah, 2012.	200 respondents among consumers of 5 big online stores in Iran by email.	Questionnaire	Financial risks, product risks, convenience risks, non-delivery risks, return policy, attitude, subjective norms, perceived behavioural control,	Attitude, online shopping behaviour

	Data source	Method	IV	DV	Finding
			domain specific innovativeness		word-of-mouth marketing to for getting their website known to consumers
Facebook C2C social commerce: A study of online impulse buying. Decision Support Systems. Chen, J. V., Su, B., & Wijeya, A. E. (2016).	277 participants	Online field experiment	Relevance, ease of understanding, accuracy, completeness, format, currency, "likes"	Consumers' UBI (urge to buy impulsively)	It can be assumed that when users click "like" on a post then they have positive attitudes, feelings, or perceptions toward it, based on an agreement with, recommendation of, or simply liking the content. The number of "likes" can thus be considered as a social environmental stimulus on a C2C Facebook.

	Data source	Method	IV	DV	Finding
The influence of eWOM in social media on consumers' purchase intentions: An extended approach to information adoption. Computers in Human Behaviour, Erkan, I., & Evans, C. (2016).	384 participants	Questionnaire	Information quality, information credibility, needs of information, attitude towards information	Purchase Intention	In addition to daily conversations between customers, these websites also allow opinion leaders to create and promote profiles relating to products and services of brands.

2.6 CONCEPTUAL FRAMEWORK

Attitude
- Shopping motivation
- Level of difficulty
- Usefulness
- Social feedback cycle

Lifestyle/Behaviour
- Convenience
- Information search
- Risks
  (financial, non-delivery, product)

Customer satisfaction
- Quality of product/service
  (expectation vs. reality)
- Security/Trust
- Responsiveness/Service level
- Return Policy, other incentives

Purchase decision through social commerce

Figure 2.6 Relations of attitudes, lifestyle and customer satisfaction to purchase decision through social commerce

The model was designed to demonstrate the correlation of the variables, supported by the theories aforementioned, that influences the purchase decision through social commerce. The framework will explore the factors that depend entirely on consumers' choice such as attitude and lifestyle or behaviour and factors that are in SMB brands' control to indirectly influence consumer's choices by providing better services and achieving higher customer satisfaction. Ultimately, to be able to recommend an actionable strategy for SMB brands on how they can directly and indirectly influence these factors of consumer purchase decision to achieve business objectives.

CHAPTER III
RESEARCH METHODOLOGY

The study aims to explore the factors contributing to consumers' purchase decision online through social media in Thailand. From the aforementioned statistics, Thais spend a tremendous amount of time on the internet through mobile and are highly active on social media, Facebook, Line, YouTube and Instagram being the top platforms people spend time on. This is the cause of social commerce boom especially in recent years we found many brands, both large and small, try to connect with consumers through Facebook. This research seeks to gain more understanding how profoundly do these factors influence their purchase decision and how SMB brands can attempt to harness them to achieve business objectives.

3.1 Methodology

To answer the research objectives, qualitative technique will be applied as the data collection method because it will be able to explore deeply how dependant variables in the conceptual framework affects the sample population in making online purchase decision through social commerce.

Open-ended questions are used because it gives the respondents freedom to answer in as much detail as they like. With the freedom to answer openly and descriptively, we can also hope to discover something that could be unexpected which could be useful for the research. It also enable the research to be more comprehensive providing a greater understanding to consumers' attitudes and their decision-making process as opposed to quantitative data collection method. The interview questions were developed from Alex Rudloff's Complete List of Behavioural Interview Questions (2007) are provided below:

Table 3.1 Interview questions

Information Category	Questions
Attitudes	
Motivation	- What are your views about shopping on social media?
	- What triggers you to shop on social media i.e. Facebook?
	- Do you enjoy online shopping more than in-store experience? Why, why not?
	- What triggers you to shop on social media i.e. Facebook?
Level of difficulty	- Can you share your experience of online shopping for the first time? What made you decide to buy it? Was it difficult? Did you like it?
	- Do you agree that shopping on social media is easier than on regular e-commerce websites?
Usefulness	- What were the pain points you have experienced from shopping via social media? How did you overcome that? Did you complete the transaction or did you decide to drop out?
	- What do you like most and what bothers you the most when you shop on Facebook or on other social media platform?
Social feedback cycle	- Does what your friends buy/share/review have a lot of influence over your choice to shop on Facebook?
	- Does the number of likes influence your purchase decision? Why? Why not?

Table 3.1 Interview questions (cont')

	- If you like the product, would you usually share and recommend to others about this product or brand?
Lifestyle/Behaviour	
Convenience	
Internet use	
Information search	- What kind of information search would you do to reduce the risks before you decide to make the purchase?
Risks	-Do you foresee any risks when you shop on social media? What are they?
Customer Satisfaction Quality	- What are your favourite brands to shop on Facebook? Why? How did it become your favourite brand? - Do you think smaller brands that are on social media can offer you a more unique, customized products? - Do you feel different from buying goods with smaller brands as compared to mainstream brands?
Security/Trust	- Do you trust brands that are on social media? - What steps do you take to learn if the brand is trust-worthy or not? - In your perfect world, how do you think brands on social media can do better? - What do you think are the challenges for smaller brands to become successful on social media? What do they need to do to get your attention and convert

Table 3.1 Interview questions (cont')

	you to sales and loyal customer? Recommendations from your point of view.
Responsiveness	
Speed of delivery/service	
Return policy	- Do you expect brands on social media to offer return policy? Why? Why not? - What other services do you think SMB brands on social media can offer to make them more attractive? E.g. Money-back guarantee, free delivery over current threshold, return policy etc.
Purchase Pattern	- How often do you shop via social media? - How often do you visit/shop from a physical store? - What would be the price range that you are comfortable buying goods from social media? - What kind of goods do you often buy from social media?
Demographics	- Where do you live? - Where is your office? - What's a normal weekday look like for you? - What is your current occupation?

Interview questions in order.

    1. Online and social commerce

        1.1. What are your views about shopping on social media?

        1.2. Can you share your experience of online shopping for the first time? What made you decide to buy it? Was it difficult? Did you like it?

        1.3. Do you enjoy online shopping more than in-store experience? Why, why not?

        1.4. What do you like most and what bothers you the most when you shop on Facebook or on other social media platform?

        1.5. Do you agree that shopping on social media is easier than on regular e-commerce websites?

        1.6. What triggers you to shop on social media i.e. Facebook?

        1.7. Does what your friends buy/share/review have a lot of influence over your choice to shop on Facebook?

        1.8. Does the number of likes influence your purchase decision? Why? Why not?

        1.9. Do you foresee any risks when you shop on social media? What are they?

        1.10.   What kind of information search would you do to reduce the risks before you decide to make the purchase?

        1.11.   If you like the product, would you usually share and recommend to others about this product or brand?

        1.12.   What were the pain points you have experienced from shopping via social media? How did you overcome that? Did you complete the transaction or did you decide to drop out?

        1.13.   What are your favourite brands to shop on Facebook? Why? How did it become your favourite brand?

        1.14.   Do you trust brands that are on social media?

        1.15.   What steps do you take to learn if the brand is trust-worthy or not?

1.16. Do you expect brands on social media to offer return policy? Why? Why not?

1.17. What other services do you think SMB brands on social media can offer to make them more attractive? E.g. Money-back guarantee, free delivery over current threshold, return policy etc.

1.18. In your opinion, does the brand play a significant role in your decision-making? How so?

1.19. Do you feel different from buying goods with smaller brands as compared to mainstream brands?

1.20. Do you think smaller brands that are on social media can offer you a more unique, customized products?

1.21. In your perfect world, how do you think brands on social media can do better?

1.22. What do you think are the challenges for smaller brands to become successful on social media? What do they need to do to get your attention and convert you to sales and loyal customer? Recommendations from your point of view.

2. Purchase pattern

2.1. How often do you shop via social media?

2.2. How often do you visit/shop from a physical store?

2.3. What would be the price range that you are comfortable buying goods from social media?

2.4. What kind of goods do you often buy from social media?

3. Demographics

3.1. Where do you live?

3.2. Where is your office?

3.3. What's a normal weekday look like for you?

3.4. What is your current occupation?

Reflective note taking is used to record observed data because the beauty of open-ended questions give room for possibilities that might not be in the pre-disposed set of questions but rather an exploratory journey into another individual's

experience. Therefore, the respondent's answers could deviate from this set of questions and reflective note taking will be able to capture the information effectively.

The sample population will consists of 20 female participants who are between 24-35 age group, as this group is identified as the core target for online shopping and are among the group with highest social media activity (Statista, 2015). For the interest of time to complete this research, these participants will be limited to Bangkok urban area who are likely to have purchased goods online or on social media prior to this research.

Following the previous studies of e-Shopping acceptance: A qualitative and meta-analytic review (Ingham, Cadieux, Berrada, 2015), this research framework is adopted to collect and analyse qualitative information from respondents to gain insightful and profound understanding and even foster recommendations from real consumers to build an actionable plan for SMB brands to be successful on social media commerce space. The framework consisted of factors that are in consumers' control, choices, lifestyle and experience such as attitudes, their working hours, their preference on shopping, triggers for social media shopping and, secondly, the factors which are entirely in the business owners' control to bring about customer satisfaction.

CHAPTER IV
DATA ANALYSIS AND FINDINGS

This chapter comprehensively captured the results from the qualitative data via individual interviews with consumers who have shopped on social media before (mainly Facebook and Instagram). The sample population were adapted from previous findings from Statista stating that female between 24-35 age group is the group who are driving the majority of the e-commerce business in Thailand. The sample group median age is 28 years old, have at least shopped on social media once before, who are heavy social media users, is living in Bangkok area commuting to work within Bangkok urban area.

The data was collected by conducting a series of interviews with individuals who fit the predefined criteria as referred above. Total sample audience was 20 female who have shopped on social media prior to the interview. There are 30 questions in total, each aims to address the factors that impacts purchase decision on social commerce. During the interview, the interviewer tried to ask the questions in order as listed above in the research methodology section, however, the flow of the conversation permitted room for deviation from the order and some questions were addressed from the beginning of the interview with few extra spontaneous questions asked whenever there was an opportunity to probe for more insights from the interviewees.

4.1. Attitudes

4.1.1. Shopping motivation

It was found from the interviews that their shopping motivation is mostly from external factors that corresponds to their lifestyle. All of the respondents reported that they obviously prefer to shop in a physical store more than through social media, they cannot deny that shopping on social media does satisfy their need to shop but without the hassle of going through the traffic, worry about opening hours etc.

"I can shop any time that I want without having to worry about

traffic etc. I like the flexibility that it gives me plus it has better

offers than some brands at the mall" (Respondent 12)

While most of the respondents said shopping on social media is also both functional and non-functional, one of the respondents said,

"I only go shopping when I really need it, social media means I

don't have to go multiple places to get what I want"

(*Respondent 7*)

According to the FFF Model developed by Dange and Kumar (2012), both external and internal factors can influence consumers' shopping motivation. External factors include demographics, technology and public policy, culture, reference group and marketing. It can be inferred from the interviews that the motivation that drove them to shop on social media is mainly external factor which was indicated from the respondents as the product itself, in this case, we will group product under "Marketing" factor in the FFF Model. Few of the respondents said

"shopping on social media means I can find anything at any

time I want" (Respondent 6)

From this finding, it can be concluded that shopping motivation of external factors have a positive correlation to purchase decision. Meaning that if we dial up one of the factors like marketing to be more competitive as compared to brick-and-mortar store, for example, it will likely result in higher probability for consumers to purchase through social media.

4.1.2. Level of difficulty (Theory of Planned Behaviour)

Most of the respondents agreed that shopping on social media is easier for them to use and navigate on the platform, especially for Instagram,

"the product image is displayed nicely and it is easy to find

other products from the same shop when you go onto their

profile, unlike Facebook that you have to go into album etc."

(Respondent 6)

The sample populations' responses on performing the task (shopping) on social media were generally positive, indicating that it is easy for them to shop on social media, since they are already logged into Facebook or Instagram and browse it at least once daily. When asked to compare it to e-commerce website, there were mixed responses. Some of the respondents said it was easier to shop on social media because they can find what they want and browse between shops easier but they also said the payment process was particularly painful. Most of them found a solution by making payment through mobile banking, taking the screenshot and send it back to the merchant for confirmation. The only caveat in the solution is that, the merchant needs to have an account in several banks such as KBank, SCB, Bangkok Bank.

In the Theory of Planned Behaviour (TPB) developed by Ajzen and Fishbein (1975, 1980), it concluded that attitude towards a behaviour (favourable and unfavourable), subjective norm (social pressure and influences) and perceived behavioural control (how difficult or easy it is to perform the behaviour) have impact on consumers' attitude, in this case the behaviour is making purchase on social media. Because social media shopping is already well known among the larger consumers, attitude towards behaviour and subjective norm are not the factors that drive their attitude anymore but rather on the difficulty to perform the behaviour. This can be noted as having positive effect on the purchase decision as indicated by the interviewees that performing the task of shopping online is no longer difficult for them, although, they admit it can be improved but they are already used to the process.

4.1.3. Usefulness (Technology Acceptance Model or TAM)

It can be inferred from the responses that from the sample group that they found that shopping on social media is useful for them, especially when they need to look for a specific product,

"I use keywords to search for items I want" (Respondent 11)

The interviewees were also asked to compare usefulness on social media than on eCommerce websites like Lazada, Zalora, Central, they agreed that social media can offer them more usefulness as the products that offer on e-commerce websites are not what they look for,

"I look for product with style and good design, not the brand,

that's why I shop on social media" (Respondent 4)

However, some of the respondents expressed their opinion that when they shop on e-commerce websites, it can offer a better payment option that completes in one single process as opposed to social media shopping payment process that has to transfer money to the merchant, send your details, wait for their confirmation and track the delivery yourself every single time you make the purchase. On e-commerce, they only need to fill in their details once and stay logged in to avoid the hassle.

In conclusion, it can be agreed that from the findings that this has a positive effect on purchase decision on social media. Consumers find it easier to look and purchase product from social media than when they shop in a physical store.

4.1.4. Social feedback cycle

Many of the respondents said that they think the brand is more trust-worthy if they have high number of likes or followers, it means that the product they are offering is popular and in demand.

The number of likes or followers on a page/brand, user reviews and sharing of post-purchase experience from other consumers that appear on the brands' profile (Facebook or Instagram) and comments under the product photos also have an positive impact on the purchase decision in terms of verifying that the shop is trust-worthy. This represent a direct correlation between word-of-mouth and risks that consumers foresee when they shop on social media,

"the aggregate number of 'likes' means reviewers, endorsers for

social media stores, the number in aggregate can help certify

the brand " (Respondent 8)

Social feedback cycle addresses the full communication loop between the marketers (marketer-generated) and the consumers (user-generated). Exploring the concept of social feedback in terms of user-generated content, all of the respondents indicated in some ways that the information from known associates whether that be friends, colleagues or families, affect their decision to explore the said merchant/shop on social media and influence their decision to make the purchase with that particular brand. The closer they know the person who recommended them the brand/shop on social media, the higher the probability that the respondents will make the purchase.

"the first time I shopped on social media through a shop that I

know of from my friend" (Respondent 8)

4.2 Lifestyle/Behaviour

4.2.1. Convenience

All of the respondents confirmed in the interviews that, undeniably, shopping on social media offers convenience to them as compared to in-store experience. The most popular group of product that our sample group shop on social media is apparels. While all of them still prefer an in-store experience,

"I can try the product to see if it fits me properly" (Respondent 1)

This doesn't seem to be their main pain point that would prevent them to shop on social media providing that they trust the brand, they have bought from the brand before, the brand provides sufficient information for sizing and stocks.

As mentioned above, a few of the respondents also communicated that it is convenient for them to look up for a product if they need it instead of wasting time in traffic or walking around in the shopping mall trying to locate an item.

"Shopping is stress for me. I shop when I need to and social

media is easy for me to look for products" (Respondent 3)

Due to the increasing internet penetration and social media users in Thailand that grew fanatically in the past decade, social media has become a mean for convenience. The more demanding lifestyle such as working longer hours, traffic on the road et cetra, consumers are looking for alternative ways to satisfy their crave for shopping and social media shopping is one of the ways to do that.

It can be concluded that convenience is appealing for the majority of the sample group when there is limited time to visit actual store which has a highly positive impact on purchase decision through social media. Shopping on social media is a solution for them to still be able to keep up with the trends and fashion at the convenience of their phones and delivery to their doorsteps. Also, with the penetration and adoption rate of mobile banking, it increases the convenience benefit to consumers to enable them to shop through social media even more.

4.2.2 Information search

From the findings, our sample group indicated that they do little information search on the items they are about to buy from social media. However, they do a lot of price comparisons as many of the social media brands offer the same or similar products.

Our sample group are considered internet savvy group, therefore, they are consistently connected to the internet through desktop and mobile phones. They log into one of their social media at least once a day to stay updated with what is going on in their world from friends' feed either on Facebook or Instagram. As proposed in the literature review at the beginning, Thais spend a lot of time of Facebook and this offers opportunities for brands to intercept consumers through advertisement or referrals from current consumers to reach other consumers (eWoM). It can be concluded that this factor has negative effect on the purchase decision on social media as indicated from the results of the interviews.

4.2.2 Risks

From the findings, the most common risk that our respondents foresee when they shop on social media is product risk. They indicated that because the lack of being physically inside a store to touch and evaluate the product, it is more difficult

for them to be able to ensure that they will get the same quality and sizes as shown on the images as to when the actual product arrives. Moreover, the lack of physical transaction like in a store also limit the amount they are willing to purchase on social media. These risks do not exist when they shop from an actual store since they get to try on/feel, evaluate the product before making the purchase and they receive the product right away without having to wait for the product to arrive.

"Will they just steal my money and not send me my

clothes/orders?" (Respondent 1), product expectation versus

reality risks, *"will the product come in the same way as it is*

displayed online?" (Respondent 8)

Respondents have their ways to reduce the risks by performing information search and gathering information from close friends, colleagues and families to help them make the decision to purchase or not. However, this also depends on the price of the product, if the product is considered cheap, i.e. less than THB 500, then less information search will be conducted to reduce the risks. Vice versa, if the product have slightly higher price, our respondents rely on their social circle to recommend or they visit the offline store of the social media brands, if one do exist for that brand, before making the purchase.

"Toggle between going to the flea market where these stores are

set up (pop-up stores) and then I kind of make self-registration

of the brand then and there. Try on something there and if I

know the product fit me, that's how I start, circle back and form

a relationship with that brand." (Respondent 8)

It can be concluded that this has negative effect on the purchase decision as consumers are not able to evaluate the product themselves and make the decision but they rely solely on the images and given information of the product.

4.3 Customer satisfaction

4.3.1. Quality (expectation vs. quality)

As indicated by our respondents from the interview results, one of the most important attributes to define customer satisfaction when they shop on social commerce that our sample group was the product delivered should match the expectation or promise, for example, the quality, style, design isn't the same as what was promised from the photos displayed when merchants were selling their products.

> "*I don't see the real thing, I don't see what kind of material they used, a good quality or a low-grade quality one. And also about sizing as well. Even though they tell you everything about measurement, you cannot be 100%. Greatest risk is the product doesn't match the promise.*" (Respondent 10)

This has direct impact to influence their purchase decision. Many of the respondents voiced that if the first-time purchase was a bad experience in terms of product quality or even just the service in general, they would not repeat the purchase with this brand and eventually spread word-of-mouth about their experience to their social circle.

According to the interview, it can also be inferred that the wide range of products that social media can offer through thousands of different shops, makes respondents feel better as compared to buying mainstream brands in H&M and other regular malls and this has positive effect on their purchase decision.

4.3.2. Security/Trust

From the interviews, the respondents are not particular concerned with the payment security as much as the payment process itself that requires many steps to complete the transaction. We addressed the issue of trust briefly above in Social Feedback Cycle (Kumar, V., & Dange, U., 2012). Our sample group rely on user-generated reviews, friends/colleagues/family based on their experience and comments to help them reduce risk and make the decision easier. It can be inferred that brands that consumers trust, will have higher probability that consumers will choose to purchase with you. One of the factors to help reinforce trust, as indicated by Napatra, is the number of followers a page/brand has

> "*When you buy something from social media, the payment is really bad, you have to transfer the money before you get the product. So I definitely do not want to be one of the first people*

to conduct that kind of transaction. So I think the number of

followers or supporters in particular serve two purposes: first

one is the popularity of their brand and product and second is

the legitimacy that they are not going to con you."

(Respondent 8)

Thus, it can be concluded that this has negative impact on the purchase decision on social media even though consumers still view it having minimal impact, if it could be rectify then it would have positive impact on the purchase decision.

4.3.3 Responsiveness and speed of delivery

Respondents specified that they will drop out of the purchase if they reach out to the brand/page and it takes longer than 2-3 hours or up to 24 hours for the merchant to respond. The more responsive and proactive the brand is towards its customers, they can service their consumers better leading them to converting into sales. One of the respondent said,

"social media shopping is very impulsive, and if the brand/page

does not respond quickly, then I'll move on" (Respondent 11)

Responsiveness for our sample group also indicates trust in the brand. One of the respondents referred to Facebook function that displays how responsive a brand/page respond to messages. This is a great indicator to show your consumers that you are willing to service them and make the shopping experience as smooth as possible.

During the interviews, responsiveness was also mentioned to aid information search and advice about the product. Due to the wide range of variety of the products available to choose from on social media, it is not difficult for consumers to consider another brand/shop if they do not get a response to their questions about the products.

Speed of delivery is not the key driver to customer satisfaction among SMB brands for this sample group. Most of the brands will pack and ship the product directly to your address using Thailand Post. The concern that our sample group has

raised was that Thailand Post took a long time to deliver, there is not system to check where your product is at at the moment.

It can be concluded that both return policy and speed of delivery have positive impact on the purchase decision. It was indicated that brands with proper, systematic return policy will increase probability of them purchasing from that brand and better yet if they can track the delivery and be sure when exactly it will arrive to their destination.

4.4.1 Return Policy

All of our respondents would prefer brands on social media to offer return policy as a standard without complications in exchange for this policy to be implemented. 90% of the respondents, have never come across a brand that offer return policy in Thailand before. For example, the current situation is, if consumers would like to return the product, they have to pack the product, go to the post office, and ship it back to the merchant by EMS, all of this are paid for by the consumers, then and only then, the brand/shop will send the money back to the consumer.

"I paid for shipping…Cover for their mistake and never bought

from the brand again." (Respondent 1)

DISCUSSIONS

The trend of social commerce has sky-rocketed in Thailand as social media users continue to grow rapidly alongside better access to internet and mobile banking.

First, the results of the interviews revealed that the major factor for shopping motivation is largely external (demographics, socio-economics, technology and public policy, culture, reference group and marketing). Based on FFF Model by Kumar & Dange 2012, internal factors come from consumers' mind which are perception, attitudes, motivation and it was indicated that these factors have impact on purchase decision through social commerce in both positive and negative effect depending on their experience. Our findings revealed no such factors that influence their decision which is inconsistent with this literature. However, this could be a limitation caused by the sample population who has similar demographics and income

(between THB40,000 to THB50,000 per month), they perceived social commerce as a solution to help them be able to shop either to relax or to search for an item.

Secondly, the level of difficulty to perform purchase through social media from the interviewee's responses are indication that it can be done easily. Compared to several years ago when social media was still particularly new in Thailand, these days, consumers are much more familiar with the way social media works and how the transaction can be completed. Even though, there is still difficulty toggling between platforms to complete the payment, as one of the respondents mentioned, but consumers already took this as the way it is, therefore, adapted to it and treat it as a normality when making purchase through social media.

Thirdly, the usefulness of shopping through social media is evident throughout the responses of the interviewees. They indicated that they found it useful when shopping of social media both impulsive purchase but especially when they have a specific item in mind. Therefore, it can be inferred from the results that this have a positive impact on the purchase decision as consumers find it easier and more familiar to them by the day to make purchase on social media, it has become native to them so to speak and this is consistent with qualitative research (e-Shopping acceptance: A qualitative and meta-analytic review) conducted by Ingham, Cadieux, Berrada, 2015.

Fourthly, the findings revealed a linkage between positive social feedback or electronic word-of-mouth (eWoM) to purchase decision on social media. From the interviews we conducted confirmed by respondents that they tend to pay more attention to feedback from friends and colleagues and would explore the product and purchase. A connection between usefulness and credibility of the information and the source of eWoM also exist as consumers usually receive eWoM from their friends and acquaintances through social media or in real life. This in consistent with the result of the literature that Erkan, I., & Evans, C. conducted (2016) which indicated that electronic word-of-mouth (eWoM) has positive impact on purchase decision for consumers shopping on social commerce. In our interview results, many respondents also commented on the availability and quality of information provided by brands/shops determine their purchase decision through social commerce. However, it is not the final determinant factor to define if they will purchase the product or not. Personal preference and convenience is still the most dominant factors that influence

purchase decision on social commerce. There was also another finding related to the number of likes which is one of the independent variable in our framework, that does not align with the literature from a journal from Facebook C2C social commerce: A study of online impulse buying, Chen, Su, Widjaja, 2016. In the journal it is stated that "*number of "likes" represents a positive indicator for consumers, and the main effect results show that a high number of these could increase consumers' UBI (Urge to buy impulsively)*". Our responses from the interviewees indicated that the number of likes on a page or on a post does not affect their purchase decision on social commerce. However, an alignment does exist from the findings and the literature, not on the number of "likes", but on "who" clicked like the page or post will have influence over their purchase decision on social commerce. This is derived from Social Distance Theory (SDT) as concluded in the literature, "*therefore, based on SDT and prior evidence abovementioned, it seems rational to argue that the presence of others (in a form of "likes") with a closer social distance or stronger social ties might possibly encourage impulsive consumers to buy more impulsively*".

Fifthly, from the interview results, it was indicated heavily that convenience is the crux of social commerce. This is consistent with the articles from The Nation (2007) we reviewed in chapter two that due to higher demand of working hours, consumers are looking for alternative ways to shopping that would give them the ultimate convenience. Social commerce satisfy that need of convenience because everything is done online through mobile phones as opposed to having the consumer go through the traffic, find parking and walk around to find the store and walk around to find the item they are looking for. Convenience is based on the hectic lifestyle that our respondents lead, therefore, it is particularly important to them that social media can deliver them this satisfaction to quench their need for shopping with the limited time to visit an actual store.

Sixthly, surprisingly from the results Thai consumers do not perceive shopping on social commerce as being risky in terms of payment (financial risk) but rather in terms of getting the product and quality that they were promised (product risk), not even the non-delivery risk seems to be important to them when asked about risks which is inconsistent to the results discussed in An Analysis of Factors Affecting on Online Shopping Behaviour of Consumers, Javadi, Dolatabadi, Nourbakhsh,

Poursaeedi, Asadollahi, 2012. Their findings determined that the greatest risk is financial and non-delivery risk that has negative effect on the attitude to shop on social commerce. Caveat on this finding is that the average amount that the respondents are willing to spend on social is approximately THB2,000 which for the respondents are not considered very expensive, some even mentioned lower like THB500 to THB700. The lower the price, the lower the perceived risk in the eyes of the consumers. This could be affected by the income they are earning as we mentioned before that this could be a limitation when the interviews were conducted with a similar pool of audience. However, it can be concluded that no matter how low the price is, if customer service and quality does not match the expectation, that will most definitely results in negative customer experience which could lead to drop-off purchase, no repeat purchase and could inspire negative eWoM.

Seventhly, security is one of the concerns for most of the respondents, however, it is not ranked as high as perceived risks like financial or non-delivery risks, surprisingly. This is not as important to consumers these day to make transaction to social media as most of them would not purchase an item more than THB2,000 to THB5,000. This range is already a safe zone for most of the respondents to make their transaction through social media considering the risks and whatnot.

Eighthly, responsiveness is important to most of the respondents as they indicated that it increases the probability of them purchasing from that particular brand if they response faster taking the opportunity of the purchase intent that consumers have at the moment.

Ninthly, return policy obviously have positive impact from the responses gathered as it contributes to the overall customer satisfaction. SMB brands that have systematic return policy will have advantage over other brands in combination with their responsiveness and other factors that have positive impact on the purchase decision which is consistent with An Analysis of Factors Affecting on Online Shopping Behavior of Consumers, Moshrefjavadi, M. H., Dolatabadi, H. R., Nourbakhsh, M., Poursaeedi, A., & Asadollahi, A. (2012). This research's hypotheses that were tested indicated that after sales service, free delivery, convenient product return policy will have positive effect on attitude towards shopping online.

Finally, customer satisfaction is paramount for consumers in the responses obtained in the interviews. If there is positive experience with the brand from the very start, for example, if the interactions from the brands to consumers are friendly, positive and quick to response, there is more likelihood for consumers to purchase from the brand and repeat the purchase in the future. To summarize the finding, when brands establish rapport with consumers since the initial interactions, it has a positive effect on customer satisfaction led to customer loyalty which is consistent with the results from The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention, Gustaffsson, Johnson, Roos, 2006. Product quality is also one of the major factor contributing to customer satisfaction because in a physical store, consumers can evaluate the product right then and there versus through social media that consumers have to rely purely on the display of the images and information disseminated by the brands. Therefore, through social media there is still a lot of room to question the product quality in comparison to reviewing products in an actual store.

"I find it nice that if the merchant talks to me in a friendly and polite manner, I have higher tendency to buy from them"

(Pornpim)

Not only positive rapport have positive impact on purchase decision but the obvious factor like quality of product still trumps responsiveness and rapport when it comes to making the decision to buy on social commerce. This is, again, consistent with the findings from the literature we mentioned previously.

In conclusion, the mentioned independent variables have both positive and negative impact on the purchase decision through social commerce. If prioritisation was to be applied to decide the factors that influence consumers to make a purchase decision through social media, from the results of the research, convenience seems to be the essence of social commerce because without it it would beat the purpose of shopping through this channel. Secondly is the quality and value for money that seems to trump responsiveness and level of service. Thirdly, is the social feedback that consumers get but the finding stated that the "who" matters more to consumers rather than the "what" the feedback says or the volume. Other factors like motivation, level

of difficulty, return policy, even risks, affects the purchase decision at a minimal level. To answer to second objective, SMB brands have to strive to achieve maximum convenience at every step of the purchase funnel, from the discovery to the conversion and even after-sales service. SMB brands have to offer quality and differentiated product that may not be able to find in a mainstream brick-and-mortar store. Responsiveness and level of service may not have came up in the interview results with the sample group, it can be inferred that if SMB brands response slowly or slower than their competitors, they could lose that opportunity of sales. Return policy and other incentives do play a role to push consumers to consider your brands over other brands, however, this needs to be conducted carefully and not devaluing the brand position if maintain branding is important to the brand.

CHAPTER V
CONCLUSION AND RECOMMENDATION

Based on the findings from research conducted in combination with the theories reviewed from the literature, in the framework; attitudes, lifestyle/behaviour and customer satisfaction are factors affecting consumers' purchase decision in social commerce to a certain extent. Lifestyle/Behaviour would rank number one as indicated by our respondents with convenience being the key driver having positive effect on the purchase decision and risk with negative effect on purchase decision. Follow by customer satisfaction with the product/brand in terms of quality and the service level of the brand. Thirdly is consumers' attitude such as social feedback cycle and the usefulness they find when making purchase through social media.

To answer the second research objective, it can be concluded from the results that the factor that SMB brands can have direct control over is customer satisfaction in terms of maintaining product quality (expectation vs. reality) and the service level it provides to its customers. The second area where SMB brands can indirectly influence that will benefit the brands is lifestyle/behaviour in terms of convenience and reducing risks which have negative effect on purchase decision. While social commerce can appear to be easy for SMB brands to set up and enter, discussing the results of these factors above have proved that there is more to it than simply having your target consumers become aware of your brand.

The first part of the conclusion will discuss practical implications we found from the research findings that can be applied for SMB brands who are seeking to establish their brands/shops on social media. The second part will cover research limitations of the study and recommendations for future researches.

5.1 Practical implications

With the research findings, it can be concluded that SMB brands need to excel in these areas to be on the right path to become successful on social commerce.

Providing the ultimate convenience to consumers who are constantly switching, browsing and mostly not always looking to shop. They could be leading a busy schedule and lifestyle that doesn't enable them to be able to shop in-store as it causes too much hassle for them. From the respondents, they are on social media on a daily basis, this means there is an opportunity to intercept them from their daily routine to raise the awareness of the SMB brands to target consumers. SMB brands need to be able to provide sufficient information about the products to consumers to assist them to overcome the lack of ability to physically examine the product. Information about sizes, availability, price, details and the most important piece of information is the display pictures; many of the respondents indicated that visually attractive, professional photographs of the product have influence on their purchase decision on social commerce, but not overly beautiful that it looks overpromising. Another method to provide the ultimate convenience and influence repeat purchase is that the SMB brands need to set up a CRM (customer-relationship management) system where consumers only need to enter their details just once and the brands store it so that during the next purchase, brands only need to retrieve the information using a reference number instead of having the customer fill in their details (name, address, phone number) every single purchase assuming that they repeat the purchase. Brands could also consider loyalty points and gift with purchase to increase the probability of repeat purchase. Lastly, payment is still the major pain point for all of the respondents, therefore, having several leading bank accounts will ease their pain point so that they can make their transfer to any bank that they have without having to worry about transfer fee etc.

The second area that SMB brands need to excel on is the products whether it be providing value for money by setting up a competitiving pricing strategy that is not just cheap but also maintaining brand value for the right product. Secondly, by offering a product that is unique that cannot be found anywhere else or custom made for consumers can add high value for brand and an opportunity to add more price to tha tag. Again, as indicated above, in the sample respondents, they will not

comfortable to purchase goods that are more than THB 2,000 but this is still dependant on the type of products, brands proposition being offered. One of the ways to win quickly on the social commerce era is to offer unique or customized products for consumers, one that they cannot find anywhere else. Finally, brands need to meet the product promise and only meeting or exceeding the promise will be acceptable. As concluded in the research findings above, the most important risk that is on top of the respondents mind is hardly financial risk but the product risk that it will not match their expectations. Therefore, SMB brands need to balance between the actual quality of the product and what they advertise.

The third area SMB brands should focus on is customer satisfaction. This is the most crucial area that will define the success of the company. We can identify three factors that can influence positive customer satisfaction; response time, professionalism/friendly manner, logistics and other policies. Response turn-around-time have direct impact on the customer satisfaction since social media is all about being real-time, consumers also expect brands to offer real-time response to their inquiries. This covers questions about the product, placing an order up to the point of post-purchase questions. The faster the response time, the higher the likelihood for SMB brands to convert that conversation into sales. The professionalism/friendly manner in general will help establish positive rapport to consumers. This is not limited to when consumers open a conversations but also in the way the owner communicates the brands through post description and description about the brand. Finally, the core of the convenience factor we discussed previously is delivery. After placing an order, consumers expect to get their products delivered as soon as possible and the delivery must be correct. All of the above factors will be in vain if the SMB brands fail at this stage to meet the consumers' expectations. From the research it also revealed that having a package tracking system that enable consumers to monitor where they product is at which stage of the delivery will also help them to have a more positive experience, for example, the order is being placed, the order is being packed, the package has delivery and on its way. To differentiate the SMB brands from the competitors, one could implement messenger service delivery for areas in Bangkok metro for better experience and offer an effective return policy that reduces the hassle for the consumers. The return policy should be open enough for consumers but also

protect the brands so that it doesn't come to a loss of profit. Another service SMB brands can implement is loyalty program to build customer retention among consumers. This is an effective way to engage customers and offer them something in return after a certain amount of purchase or even set up refer-a-friend program.

In summary, all of the above areas aim to achieve customer satisfaction and high-quality service to gain positive eWoM that will influence others in the social circle and key opinion leaders to purchase and talk about the brands. This is one of the key factors that will influence the first and second step of the AIDA Model, the awareness and interest phase.

5.2 Limitations and future researches

This research was conducted through qualitative interview with 20 respondents living in Bangkok area and commuting to work also in Bangkok area who are heavy social media users and have access to internet and mobile banking. This is by no means a representation of the entire Thailand population. Further research can be done to explore respondents from other provinces in different occupation and level of income who may provide different insights in terms of their shopping motivation, price of the goods, process of payment, delivery, risks, lifestyle and trust.

Our findings from the respondents suggested that is it easy for consumers to find you and make first-time purchase from a brand but customer retention on social commerce is very much under-researched. There are only a few brands in Thailand that are successful by purely existing only on social media platform, they eventually branched out and expanded to offline stores etc.

Future research could explore what factors encourage customer retention for social commerce SMB brands and what other areas can SMB brands leverage to help them compete with larger brands. By identifying the potential revenue SMB brands can make, maybe it could be large enough for social media platform to provide SMB brands with help on their platform enabling them to profit more from the platform, for example, streamline payment process, offer credit card option, buy-now button and CRM system that is embedded in the social media platform (this way

consumers can ensure their information is safe and there is less risk for privacy and security breach).

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