The Community of Social Commerce that Correlates with Purchasing Intention of OTOP

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Abstract— **Research on the Community of Social Commerce that correlates with Purchasing Intention of OTOP, conducted a survey with the population in Bangkok metropolitan region who used to purchase OTOP products through social commerce. A sample population of 385 people, calculated from the Cochran formula. Questionnaires were used to collect basic data from October 2019 to September 2020. The statistics used for data analysis were descriptive statistics and Pearson correlation. The results of the study showed that the community characteristics of social commerce in 4 areas（a community to introduce products and services, a community to review products and services, having a subscription, and recommendations of products and services from other online communities）have a relationship on purchasing intention of textile and clothing. The highest relation is a community to introduce products and services, and the lowest is recommendations of products and services from other online communities. Data obtained from research analysis can be used to recommend the social commerce design for OTOP sales of textiles and clothing in order to develop the strategies to manage social commerce more effectively.**

Keywords—Social Commerce, Online Community, Purchase Intentions, e-commerce, OTOP

I. INTRODUCTION

The use of high speed internet has been developed to be more efficient at present. Resulting in more access from devices. Network reliability and the presence of users that are constantly increasing makes it possible for product operators to easily distribute their products to different locations as well as lower operating costs. Originally it was used through the E-Commerce business, where sellers would have created a website to serve as a medium to visit and sell products by using bank transfer or credit card. But nowadays, there is a very high and constantly increasing use of social networks. Customers are now familiar with the using of social networks for product recommendation from other users [1,2]. Social commerce is a concept that enable selling products through social network and also on electronic commerce of the organization. The concept is combining the traditional online shopping and marketing by word of mouth [3,4,5,6]. This has resulted in entrepreneurs starting to take advantage of the social commercial significantly more [7,8]. For this reason, the researcher has developed a research study to analyze the information on the community characteristics of social commerce that are related to OTOP purchase intentions in order to provide advice on the creation of OTOP sales and promotion for textile and clothing category.

II. LITERATURE REVIEW

OTOP（One Tambon One Product）is a program to support the local community product in each sub-district of Thailand. The inspiration program is originated from Japan's One Village One Product（OVOP）. The program will encourage the community to improve their product both quality and marketing aspects. The classification of product groups are food items and beverages, textiles and clothing, woven handicrafts, artistry items, gifts, household and decorative items, and non-edible herbal products [9,10,11].

Huang, Z., and Benyoucef, M（2015）conducted research to study the characteristics of commercial social networks satisfying social network users. It has been found that the main characteristics that social networks allow for users to express their opinions（comment）are the key features that encourage users to respond and receive product reviews from other users and to provide feedback on the products [12].

Carolina S., and Jonas C.（2019）researched on the effects of impartiality disclosure of e-commerce landing pages. The research found that the customer is likely to perceive the post that is not state clearly to be the influencer post and tend to activate purchase intentions more. Also the participant's attitude to brand and purchase intention reduce when inform that the information is come from the influencer [13].

Libo L. Christy M. K. C., and Matthew K. O. L.（2016）research on information sharing behavior on social commerce sites. The result showed that the customers are willing to share their information based on two reasons: the individual interest and their social capital. Most of the customer tend to not sharing their personal information only the product- or service-related information [14].

Abaid U.A. et al.,（2021）study the impact of social media celebrities' posts on impulse buying in social commerce. The result found that the effect of celebrities' authenticity is not significant. Meaning that the customers do not have effect on buying instantly after receiving the information from the influencer [15].

III. METHODOLOGY

A. Purpose of the Study

To study the community characteristics of social commerce that related to purchasing intention of OTOP in textiles and clothing. Entrepreneurs / communities selling OTOP products can use the information obtained to create a site for selling products and services through commercial social networks that are suitable for target customers.

B. Conceptual Framework and Hypotheses

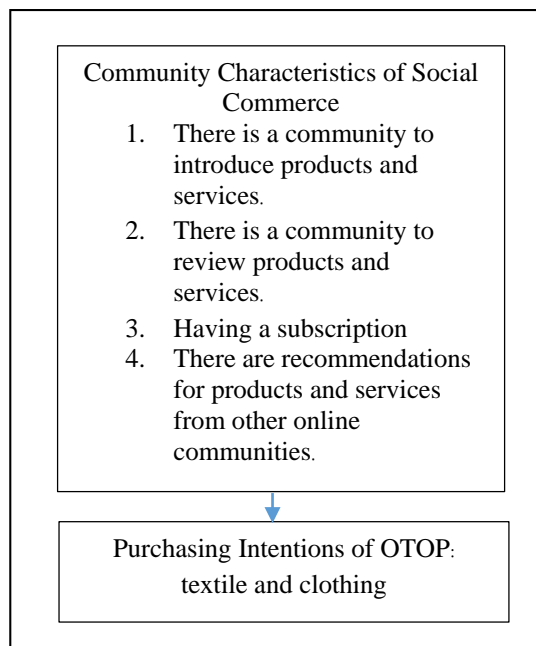The conceptual framework for the research is as follow:

Figure 1.   Research Framework.

Hypothesis: The community characteristics of commercial social networks correlate with purchasing intentions of OTOP.

C. Scope of Study

The demographic data was a group of people in Bangkok metropolitan region who used to purchase OTOP products through commercial social networks. The General Rule is used to determine the sample size for Structural Equation Model that must not be less than 100 samples and be proportional to the number of sample sizes to the number of parameters required which estimates 10-12 samples per parameter. Initially, it was expected that there would be a latent variable less than or equal to 7 variables, and each latent variable was measured by less than 3 observable variables, which yielded a communality of less than 0.45, the minimum sample size to be collected was 300 samples, however, in this research, 400 was collected. Example to prevent mistakes when there are different conditions as follows [16].

- The data deviates from the normal distribution. (multivariate normal distribution)
- Some parameter estimation techniques that require large samples are used, such as MLR techniques for analyzing the multilevel SEM (Multilevel SEM) model.
- More than 10% of data is lost.

Questionnaires were used to collect basic data from October 2019 to September 2020.The statistics used for data analysis were descriptive statistics and Pearson correlation.

IV. FINDINGS

The population are mostly Female (63.38), age between 18-25 yrs. (60.86%), educational background in Bachelor degree (65.91%), with the status of student (55.81%), and the monthly income less than 15,000.00 Thai Baht (69.95%). This is in line with the basic information that social commerce that used by the majority of the younger generation. The descriptive statistics is used to explain the online community characteristics of social commerce as in Table I.

TABLE I.   SHOWS THE NUMBER (FREQUENCY), PERCENTAGE, MEAN AND STANDARD DEVIATION OF THE COMMUNITY CHARACTERISTICS OF SOCIAL COMMERCE THAT AFFECT OTOP PURCHASING INTENTIONS

Community Characteristics	$\overline{x}$	S.D.	Meaning	Order
1. There is a community to introduce products and services.	3.86	.953	High	1
2. There is a community to review products and services.	3.81	.973	High	2
3. Having a subscription	3.49	1.064	High	4
4. There are recommendations for products and services from other online communities.	3.65	1.056	High	3

From Table I, it was found that respondents gave priority to a community to introduce products and services at the highest level in the group, followed by community to reviews products and services, there are recommendations from other online communities, and having a subscription system. Social networking users are already active to create a community with a similar mindset. Therefore, when applied with electronic commerce, the buyers usually focus on building a community to recommend or review products as much as possible. Entrepreneurs should find measures to incentivize buyers who use the product to write reviews and recommend the product to build confidence in other users to create a sense of participation in the community

Another interesting aspect from the questionnaire is the subject of subscription. The general concept of selling via e-commerce system is to collect member information for specific analysis. When working on social commerce, the customers do not care about subscriptions. This is because there are currently too many concerns about the disclosure of personal information. The customers only want to purchase, pay, and receive the product without a subscription. In social networking systems, it facilitates to disclose product details to the public so all users have the right to view products and make orders as usual. Entrepreneurs should be able to recognize and apply the concept to reflect the changing behavior of consumers today.

The descriptive statistics is used to explain the analysis of relationship of community characteristics and purchasing intention as in Table II.

TABLE II.   SHOWS THE NUMBER (FREQUENCY), PERCENTAGE, MEAN AND STANDARD DEVIATION FOR PURCHASING INTENTIONS OF EACH TYPE OF OTOP PRODUCTS

OTOP Purchasing Intention	$\overline{x}$	S.D.	Meaning	Order
1. Food items	3.90	0.875	High	1
2. Textiles and clothing	3.69	0.968	High	2
3. Household and decorative items	3.52	1.044	High	5
4. Non-edible herbal products	3.69	1.046	High	3
5. Beverages	3.58	1.094	High	4
6. Woven handicrafts	3.38	1.076	Medium	6

From Table II, it was found that food items is the most popular products to buy on social networks followed by the textiles and clothing segment. The woven handicrafts are the lowest popular segment for commercial network. The reason is that type of product is a unique item. The buyers want to see the real product before making a buying decision. In this research, we used the textiles and clothing as the focus product for recommendations because this result will help in the textile entrepreneurs.

TABLE III.   TESTING THE RELATIONSHIP BETWEEN THE COMMUNITY CHARACTERISTICS OF SOCIAL COMMERCE AND PURCHASING INTENTIONS OF OTOP: TEXTILES AND CLOTHING.

Community Characteristics		Purchasing Intentions
1. There is a community to introduce products and services.	Pearson Correlation	0.299**
	Sig.	0.000
	Meaning	+ (Lowest)
2. There is a community to review products and services.	Pearson Correlation	0.333**
	Sig.	000.0
	Meaning	+ (Low)
3. Having a subscription	Pearson Correlation	0.276**
	Sig.	000.0
	Meaning	+ (Lowest)
4. There are recommendations for products and services from other online communities.	Pearson Correlation	0.210**
	Sig.	0.000
	Meaning	+ (Lowest)

X = no correlation + = positive correlation - = negative correlation

* Statistically significant at 0.05 ** Statistically significant at 0.01.

The analysis of the relationship between the community characteristics of social commerce showed that the four characteristics of the online community had a statistically significant positive correlation at the level of 0.01. The online community is building with members who are users of the merchandise and services of the entrepreneurs. It is very important to influence the decision-making level of purchasing OTOP: textiles and clothing. It would show that consumers value the participation with the community and exchanging ideas about such products and services. The correlation analyzes the aspects from the most correlated side to the least correlated side as follows:

1. A community to introduce products and services with Pearson Correlation value 0.333 which is the highest in all categories. For engaging the community in product reviews, it is the most important aspect for customers of textile and clothing products. Because it creates a group of people who have used this type of product. It creates a feeling of trust that it is actually the people who use it. The product review is said to be based on the actual feeling of the purchase and use experience. This is consistent with research by Huang, Z., and Benyoucef, M (2015) that online shoppers want to participate in the comments and read the opinions of other users.

2. A community to review products and services with Pearson Correlation value 0.299. If a community that is familiar to users with a recommendation is given, it will affect the level of consumers' purchasing decisions. This is consistent with research by Carolina S., and Jonas C. (2019) that if a buyer sees a product recommendation from a familiar user, he or she is more likely to trust the brand. As well as resulting in higher purchasing decisions as well.

3. Having a subscription system with Pearson Correlation value 0.276. For selling products through social media, it will be more pressing to subscriptions. Buyers weren't too focused on this section and had a very low correlation. This is in line with the Libo L. Christy M.K.C., and Matthew K.O.L. (2016) research on personal information disclosure that buyers do not like to share personal information with the seller. They just want to exchange information about products and services.

4. Recommendations for products and services from other online communities with Pearson Correlation value 0.210, which is the lowest in any online community category. It could mean that consumers reassure the community that is directly involved in the products and services. They do not trust information coming from other unrelated online communities. It may be thought that it is just an advertisement or publicity that does not correspond to its actual usage. The findings are consistent with Abaid U.A. et al., (2021) research that shoppers do not immediately make a purchase when they see a referral from a

celebrity. Because they were not in the community that used the product before. Therefore, it does not influence purchasing decisions as much as the member in the same community.

The analysis results in the following recommendations for social commerce design for OTOP sales of textiles and clothing as follows:

1. Creating an online community for selling products is a very important concern for consumers. The system must facilitate the exchange of information about products and services from real users in order to build up the reliability of the products. System administrators must take a communication role to answer questions that may arise from purchasing or using products and services in order to build a good relationship between customers and organizations.

2. Recommendations for new products and services should be introduced primarily through the online community. Which may choose to allow people who have actually used other products to become a reviewer and recommend new products. This will increase the reliability of the product. Administrators must be instrumental in selecting customers who will represent product reviews in order to increase authenticity and reliability.

3. Regulation that customers must apply for membership before purchasing products is not a good idea because it can affect the reluctance to disclose the customer's personal information. The seller should let the general public buy the product and if there is a desire to apply for membership of the online community according to the wishes, they must be able to do so. Administrators should work towards incentivizing them to subscribe to online communities for products and services rather than solely for purchasing a product.

4. Referrals from third parties such as famous people or recommending products from unrelated communities may not be a good choice for promoting a product. Because the buyer does not trust information provided by third parties who have no reason to believe that the actual product was used. The organization should not spend a lot of budget in this area as it is associated with very low relationship on purchasing intention.

These recommendations should also present to the authority that related to supporting and promoting the OTOP community. The researcher hope that this will bring to development in social commerce for all entrepreneurs.

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