Factors Affecting the Purchasing Decision of Products from SMEs via Social Media Commerce in Thailand

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Abstract— Research on Factors Affecting the Purchasing Decision of Products from SMEs via Social Media Commerce in Thailand, conducted a survey with the consumers who have purchased goods from SMEs in Bangkok and its vicinity via social media. Analysis of different demographic factors affecting purchasing decision from SMEs via social media systems using t-test and One-Way ANOVA statistics found that male and female affect purchasing decisions from SMEs through different social media systems with statistically significant at the .05 level and found no different in age, occupation, and educational level. The usage behaviors and purchasing reasons had positive correlation with purchasing decision at moderate level. While the social media use and the type of product had only low level of correlation meaning that they were not had important affect to the purchasing decision on social commerce. This may result from products sold through the system of small and medium enterprises that are analyzed, such as food, beverage, herbal products, clothing, accessories, decoration, souvenirs, and crafts. There are characteristics that meet the needs of women more than men. Therefore, in the next research, types of goods such as artifacts, auto accessories or various types of collectibles may be added to convey the desire to buy from more male customers.

Keywords— Social Commerce, Purchase Intention, SME, Social media

I. INTRODUCTION

The development of the Internet network system that comes into the era of increasing usability including the growth of mobile computing devices in the form of mobile phones like smartphones. To allow users to communicate with each other without any restrictions on location and time. Leading to the use of social networks which is a public area where all members can create content such as telling story, share experience, share pictures, share video to others in their network to know. From this exponential growth and usage, businesses are interested in using social networks as a business tool (Social Media Marketing-SMM) that is just a channel to present products and services [1].

Currently, there is a business of selling products on social networks called social commerce. The main objective is to allow members on the network to distribute information. Stimulate and influence decision making in terms of creating demand for products. By relying on the credibility of members and networks to transmit information about the quality of goods and services [2]. Social networks are another important channel for commerce in the digital era. The business organization should focus on and adjust the strategy of offering products and services to increase sales. It also prevents problems on creating a negative image for the business as well.

This research was conducted with the aim of providing both small and medium-sized enterprises with information about purchasing decisions of target consumers via social network. To use in planning the use of social media to sell products and services more effectively.

II. LITERATURE REVIEW

Trading conditions in 2020 are starting to change in the direction of trading companies. Began to pay more attention to investments through online channels, especially in various social media channels such as Facebook, Instagram, Twitter and LINE Market, where buyers can press to order products immediately. This gives merchants more opportunities to increase their sales. The traditional use of social media is to increase channels for customers to access products and services, known as social media marketing [3]. The customers have to switch platforms when they want to make order. They are informed of products and services via social media and make order at the corporate e-commerce website. Then go to pay by transferring money or paying by credit card. In the case of social commerce, customers can browse products, order, and pay for products within the original platform. This reduces the number of clicks and movement between platforms [4][5].

Here are some strategies to help build customer confidence and increase sales in social media commerce [6]:

1. Understand customer behavior and needs so that they can use this information to adjust strategies to create a good shopping experience for customers. This leads to investment in a platform that is suitable for the behavior of target customers. Behavioral surveys will find information about channels to access information about products, date of use, content that interests and likes This is done through analytics tools called customer personas.

2. Develop a sales strategy in addition to having customer information. Marketers also need to understand that information and be able to analyze it further in order to develop a marketing strategy to meet customer needs. This will bring about the ability to stimulate purchasing decisions in order to carry out the process until the final payment of the product.

3. Create an easy to order experience by reducing the process of customer interest and making a purchase decision quickly and with minimal steps. It will increase the interest to customers. For example, the system of automatic answering questions in Facebook that when a customer chooses to send a message, there will be a question frame for the customer to choose to contact the seller directly.

4. Engaging customers by allowing target customers or people who use products to create content by themselves. User-generated content (UG) makes social media users view content as more trustworthy and influential than content from influencers up to 9.8 times. Examples of this type of strategy are creating a marketing campaign. For example to take a photo with the product and post it or check-in with accommodation/restaurants etc.

5. Provide information that is unique to the customer (get personal). Businesses must be able to tailor their presentation of information to be unique in accordance with the behavior of the customer's interests, such as search behavior, search history and frequency purchase history of goods and services as well as the usage behavior of each platform.

If a business has applied these recommendations to a social media sales strategy. Believe that it will be successful according to the business objectives.

Small and Medium Enterprises (SMEs): cover businesses in the following three ways [7]:

1. Manufacturing business: is produced in the manner of all types of industries including the simple processing of agricultural products and household industry

2. Service business: includes entertainment, construction/ real estate, transportation, education, healthcare, hotels/ dormitories, restaurants, food sales, beverage sales and restaurants, entertainment and recreation, rental services, personal service, household service and tourism-related businesses.

3. Wholesale and retail business: is the sale of new and used products without any processing. It also includes being a broker or an agent for trading products as well. It also includes the gas station business and consumer cooperatives.

Related research

S-commerce: Influence of Facebook likes on purchases and recommendations on a linked e-commerce site [8] examined the effect of likes on purchases and referrals about the product to other people. Selling through social media such as Facebook is based on user likes as it serves as a social endorsement of the quality of the product. To convey on a positive attitude about the product to other consumers. The research was conducted in-house and the hypothesis can be confirmed.

The research on factors that influence purchases in social commerce [9] aimed to examine the factors related to social network sales to describe the relationship related to purchase intention. The results of the study revealed that five objectives that affect purchase intention were price, need for use, credibility social interaction, and promotional items. The results of the research can be used to promote sales and planning strategies to sell for entrepreneurs.

How social presence drives commitment and loyalty with online brand communities? the role of social commerce trust [10] explores how businesses can create a system of engagement and loyalty between customers. By emphasizing the role of the system of selling products through social networks in the form of building relationships between the organization and customers. The study found no direct correlation between social networking business recognition and intention to use the products/services of the organization and brand loyalty. This finding was contradicts other research. The analysis of business identity in the network revealed that there was a relationship with brand loyalty and brand credibility through social networks.

The research on how does social support promote consumers' engagement in the social commerce community? The mediating effect of consumer involvement [11] examines methods for generating customer engagement in the community. Selling products through social networking systems using social support theory to determine how the different impact patterns between data support and emotional support affect customer engagement. The study found that the online community's support of both information and sentiment had a positive effect on customer engagement. Emotional support directly affects brand support, while information support has a partial impact. The result supports the idea that brand advocacy is happening online. It directly affects the customer's decision to purchase goods/services.

The research on when it comes to satisfaction ... it depends: An empirical examination of social commerce

users[12] has studied the factors affecting consumer satisfaction in purchasing products through social networking system. The relationship between 3 factors was acceptance of benefits from using the system, satisfaction in use, and intention to use the system continuously. The results showed that accepting the benefits of using the system was positively correlated with usage satisfaction among female customers and continued use of the system. But it works in the opposite direction for male customers with no prior experience in using the system. In terms of user satisfaction, the system was positively correlated with continued use of female customers, but the opposite was true for male customers.

III. METHODOLOGY

A. Purpose of the Study

To study the factors influencing purchasing decisions from SMEs products through social networks.

B. Conceptual Framework and Hypotheses

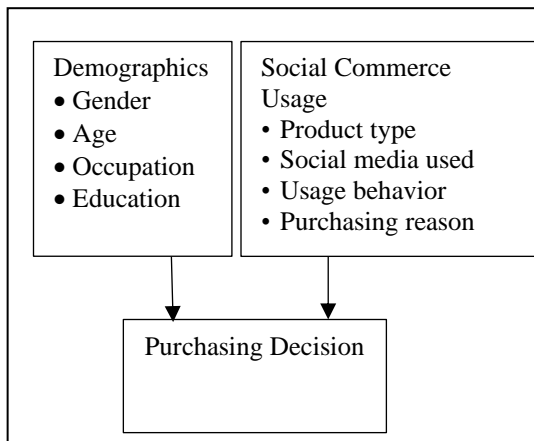The conceptual framework for the research is as follow:

Figure 1. Research Framework.

Hypothesis:

1. Different demographic characteristics result in different purchasing decision from SMEs products.
2. Social commerce usage positively correlated with purchasing decisions from SMEs products.

C. Scope of Study

The population used in the study was consumers who have purchased goods from SMEs in Bangkok and its vicinity via social media. The sample size was estimated at 400 people using the Cochran formula [13], since the exact population is unknown. The calculation formula uses 95% confidence intervals and has an error value of ±5%. It can be expressed as follows:

$$n_0 = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2(.5)(.5)}{(.05)^2} = 385$$

The result of the calculation was a sample population of 385 people. As to prevent errors in data collection, a total of 400 questionnaires will be distributed. In this research, the study tool was a questionnaire. A quantitative method was used to obtain the data from the three parts of the questionnaire, consisting of:

- The first part of the questionnaire contains demographic characteristics including gender, age, occupation, and level of education.
- The second part of the questionnaire are social commerce usage behavior including Product type, Social media used, Usage behavior, and Purchasing reason. Using a scale of 5 Likert Scales, starting from 1 means the lowest and 5 the most.
- The third part is about purchasing decisions, using a 5-level Likert Scale, starting from 1 mean the lowest and 5 is the highest.

Questionnaires were used to collect basic data from October 2020 to September 2021. The statistics used for data analysis were descriptive statistics, T-test, One-way ANOVA, and Pearson Correlation.

IV. FINDINGS

Part 1 Data analysis of demographic factors as gender, age, occupation, and education level using descriptive statistics such as frequency and percentage.

The results of the analysis for consumer data who used social media to buy SMEs products. To classified by gender, age, occupation, and educational level. The amount and percentage can be distributed as follows:

TABLE I. SHOW NUMBER (FREQUENCY) AND PERCENTAGE VALUES FOR GENDER

Gender	Number	Percentage
Male	237	59.25
Female	163	40.75
Total	400	100.00

The results of gender analysis of those who bought goods from small and medium enterprises in Bangkok and its vicinity found that they were more females than males. More than 50 percent of the respondents were female at 59.2%.

TABLE II. SHOW NUMBER (FREQUENCY) AND PERCENTAGE VALUES FOR AGE.

Age	Number	Percentage
18-25 yrs.	259	64.75
26-35 yrs.	122	30.50
36-45 yrs.	7	1.75
45-60 yrs.	8	2.00
More than 60 yrs.	4	1.00
Total	400	100.00

Results of age analysis of those who used to buy products from small and medium enterprises in Bangkok and its vicinities was found that the majority of respondents were adolescents aged between 18 to 25 years, over 50 percent, at 64.75%, followed by 26 to 35 years at 30.50 percent. The elderly aged 60 years and over were the lowest at 1.0%.

TABLE III. SHOW NUMBER (FREQUENCY) AND PERCENTAGE VALUES FOR LEVEL OF EDUCATION.

Level of Education	Number	Percentage
Less than Bachelor	33	8.25
Bachelor	297	74.25
Higher than Bachelor	70	17.50
Total	400	100.00

The results of the analysis of the educational level for those who had purchased goods from small and medium enterprises in Bangkok and its vicinity, it was found that most of the respondents had the bachelor's degree at 74.25%, followed by a postgraduate education at 17. 50% and education level is less than a bachelor's degree by 8.25%, respectively.

TABLE IV. SHOW NUMBER (FREQUENCY) AND PERCENTAGE VALUES FOR OCCUPATION.

Occupation	Number	Percentage
Student	256	64.00
Government/state enterprise	22	5.50
Private company employees	76	19.00
Self-employed	26	6.50
Other	20	5.00
Total	400	100.00

The career analysis results of those who used to buy goods from small and medium- sized enterprises in the Bangkok Metropolitan Region, it was found that the occupations of the respondents were mostly students (64%), followed by private company employees (19.0%), and self-employed (6.5%).

The analysis of social commerce usage behavior for purchasing products is divided into 4 groups: Types of products, Social media used, Usage behavior, and Purchasing reason.

TABLE V. DISPLAYS THE STANDARD DEVIATION FOR TYPES OF PRODUCTS

The level of opinions	$\overline{X}$	S.D.	Meaning	Order
Food/Beverage/Herbal Products	3.48	1.21	More	2
Clothing/Accessories/Decoration	3.56	1.25	More	1
Souvenirs and crafts	2.40	1.21	Low	4
Other	3.24	1.22	Moderate	3
Average	3.17		Moderate	

Most of the respondents had a level of opinion that the behavior of using social media to buy Clothing/Accessories/Decoration was ranked number 1 with a more level of opinion. The second was the behavior of using social media to buy Food/Beverage/Herbal Products with a more level and other products with moderate opinion respectively

TABLE VI. DISPLAYS THE STANDARD DEVIATION FOR SOCIAL MEDIA USED

The level of opinions	$\overline{X}$	S.D.	Meaning	Order
Line	2.59	1.41	Low	4
Instagram	2.64	1.44	Moderate	3
Facebook	3.08	1.43	Moderate	2
Tiktok	1.63	1.09	Lowest	5
Other	4.35	1.08	Most	1
Average	2.86		Moderate	

Behavior of using social media for shopping found that the majority of respondents using Facebook to shop online at moderate level. The other channel in the questionnaire refer to other online that not related to social media such as Lazada or Shopee. The lowest level of social media is Tiktok, which was not include the feature for shopping at the time of the survey.

TABLE VII. DISPLAYS THE STANDARD DEVIATION FOR USAGE BEHAVIOR

The level of opinions	$\overline{X}$	S.D.	Meaning	Order
Viewing product information of interest	4.26	0.99	Most	1
Product inquiry	3.95	1.11	More	3
Comparison of products from multiple sellers	4.09	1.04	More	2
Average	4.10		More	

Behavior of using social media for shopping regarding usage behavior was found that the majority of respondents had a level of opinion that the use of social media to view product information of interest at the most level of opinion. Followed by the use of social media for product comparisons from multiple sellers ranked 2nd and the use of social media for product inquiries ranked No. 3, respectively.

TABLE VIII. DISPLAYS THE STANDARD DEVIATION FOR PURCHASING REASONS

The level of opinions	$\overline{X}$	S.D.	Meaning	Order
Cheaper than buying from other channels	4.06	1.01	More	1
The necessity of use	3.92	0.99	More	2
Good sales condition	3.90	1.04	More	3
Average	3.96		More	

Behavior of using social media for shopping regarding reasons to buy found that the majority of respondents using social media for reasons that it is cheaper than buying from other channels at more level of opinion. Followed by the necessity of use at more level and because of the good sales conditions ranked No. 3, respectively.

TABLE IX. SUMMARY OF SOCIAL COMMERCE USAGE BEHAVIOR

The level of opinions	$\overline{X}$	Interpret	Order
Type of products	3.17	Moderate	3
Social media used	2.86	Moderate	4
Usage behavior	4.10	More	1
Purchasing reasons	3.96	More	2
Total average	3.52	More	

In summary, the overall social media usage behavior for shopping was found that total average score at more level of opinion, showing a more interest on using social media for purchasing various products. In terms of usage behavior in viewing product information or comparing product prices, is the more interest for the customer.

Data analysis for purchasing decision results of data analysis are as follows:

TABLE X. SHOWS THE MEAN AND STANDARD DEVIATION OF THE PURCHASING DECISIONS

The level of opinions	$\bar{X}$	S.D.	Meaning
You intend to buy products through social media.	4.26	0.95	Highest
Average	4.21		Highest

The analysis of purchasing decisions was found that most of the respondents had intention to buy SMEs products from social media at highest level. This mean that the social commerce could be another interesting marketing channel.

The results of the data analysis to test the hypothesis.
Hypothesis 1: 1. Different demographic characteristics result in different purchasing decision from SMEs products
Hypothesis Test 1.1 Different gender result in different opinions to buy products via social media systems using T-test statistics.

TABLE XI. COMPARISON OF OPINIONS TO USE SOCIAL COMMERCE BY GENDER

	Gender	$\bar{X}$	t	Sig.
Making purchase decisions through social media	Male	3.99	-3.476	.000*
	Female	4.22		

* had a statistically significant level of .05

Different genders make different purchase decisions on social media at a level of statistical significance of 0.05. The result showed that female had interest to buy from social commerce more than male.

Hypothesis Test 1.2 Different age result in different opinions to buy products via social media systems using One-Way ANOVA statistics.

TABLE XII. COMPARISON OF OPINIONS TO USE SOCIAL COMMERCE BY AGE.

	Source of variance	SS	df	MS	F	Sig.
Making purchase decisions through social media	between groups	3.321	4	.830	1.598	0.174
	within the group	205.239	395	.520		
	Total	208.560	400			

* had a statistically significant level of .05

In the analysis, it was found that the Sig. value was .174, thus accepting the hypothesis (H0), indicating that different ages had no different in purchasing decisions through social media.

Hypothesis Test 1.3 Different educational levels result in different opinions to buy products via social media systems using One-Way ANOVA statistics.

TABLE XIII. COMPARISON OF OPINIONS TO USE SOCIAL COMMERCE BY EDUCTIONAL LEVEL.

	Source of variance	SS	df	MS	F	Sig.
Making purchase decisions through social media	between groups	0.247	4	0.062	0.246	0.912
	within the group	99.331	395	0.251		
	Total	99.578	400			

* had a statistically significant level of .05

In the analysis, it was found that the sig. value was .912, thus accepting the hypothesis (H0), indicating that different levels of education had no different purchasing decisions through social media.

Hypothesis Test 1.4 Different occupations result in different opinions to buy products via social media systems using One-Way ANOVA statistics.

TABLE XIV. COMPARISON OF OPINIONS TO USE SOCIAL COMMERCE BY OCCUPATION.

	Source of variance	SS	df	MS	F	Sig.
Making purchase decisions through social media	between groups	8.962	4	2.241	1.486	0.206
	within the group	595.478	395	1.508		
	Total	604.440	400			

* had a statistically significant level of .05

Analyzing that different occupations made purchasing decisions through different social media using One-Way ANOVA statistic was found that the Sig. value was .206. Indicate that different people have no different purchasing decisions through social media.

Test of hypothesis 2: Social media usage behavior was positively correlated with purchasing decisions from SMEs via social media systems.

TABLE XV. THE CORRELATIONS SOCIAL MEDIA USAGE BEHAVIOR AND SOCIAL MEDIA PURCHASING DECISION.

Usage Behaviors	Purchasing Decisions		Associate Level
Type of products	Pearson Correlation	0.247*	Lowest
	Sig.(2-tailed)	0.000	
Social media used	Pearson Correlation	0.352*	Low
	Sig.(2-tailed)	0.000	
Usage behavior	Pearson Correlation	0.796*	High
	Sig.(2-tailed)	0.000	
Purchasing reasons	Pearson Correlation	0.520*	Moderate
	Sig.(2-tailed)	0.000	

* Significant correlation at the .01 level (p<.01).

The results of the correlation analysis using Pearson Correlation found that social media usage behavior was positively correlated with social media purchasing decisions. The correlation between type of products and purchasing

decision was in the same direction, but the correlation was very low. There was a low correlation between social media used and purchasing decisions. There is a correlation between the purchasing reasons and the purchasing decision. with a moderate correlation. The usage behavior and purchasing decisions are related in the same direction with a high level of correlation

The finding indicated that the customer has intention to buy through social commerce with the usage behavior at high level, so the business should look closely into the detail of behavior and response to customer need. For the lowest correlation as type of product, it could be suggested that it was not depend totally on the products that made customer interested in social commerce. The business should pay attention not to the product itself but pay more attention to the way they can present to the product through social commerce in more efficient way.

V.   Conclusion/Recommendation

From the hypothesis of the overall summary research, it was found that

Hypothesis 1 Analysis of different demographic factors result in different purchasing decision from SMEs via social media systems using t-test and One-Way ANOVA statistics found that

1.1 Males and females affect purchasing decisions from SMEs through different social media systems statistically significant at the .05 level.

1.2 Different age, occupation and educational level affect no different on the purchasing decision from SMEs through social media systems.

According to the data of the sample population, more data were collected from males than females. But the results of the analysis also found that females make more interest to purchase via social media than males. This may result from products sold through the system of small and medium enterprises that are analyzed, such as food/beverage/herbal products/ Clothing/ Accessories/ Decoration/ Souvenirs and crafts. There are characteristics that meet the needs of women more than men. Therefore, in the next research, types of goods such as artifacts, auto accessories or various types of collectibles may be added to convey the desire to buy from more male customers.

Hypothesis 2: An analysis of social media usage behavior positively correlated with purchasing decisions from SMEs via social media systems using the Pearson Correlation was found that:

The usage behaviors and purchasing reasons had positive correlation with purchasing decision at moderate level. While the social media use and the type of product had only low level of correlation meaning that they were not had important affect to the purchasing decision on social commerce.

The results of the data analysis revealed that social media usage behavior was a high correlation factor for purchases. The behavior of using social commerce to buy products is to look at the information of interested products, product inquiry, and product comparison from multiple sellers. Therefore, traders should pay attention to the above three topics as follows:

1. Viewing product information of interest: The seller must present as much information about the product as possible to help the consumer make a decision. By considering what information the buyer needs or what are the specific product information for decision making?

2. Product inquiry: Because it presents information via social media, sellers need to consider adding as many channels to contact with buyers through online systems as possible. There are online inquiries, reply via message in the system or even using an automated answering system. To make buyers get informed decisions as quickly as possible.

3. Comparison of products from multiple sellers: Before the buyers can compare the products to make their decision, sellers should find comparative information and present in a way that buyers can know beforehand. When compared to similar products, what are the highlights of selling products. To make it easier for buyers to make decisions.

The next research should be more in-depth about the three areas of information that social media shoppers need to know. In order to be useful to the seller in providing important information. In particular, buying through social media is one channel that is different from other types of sales channels. Especially for products belonging to small and medium-sized community enterprises that are different from other industrial products. Such actions would be beneficial to entrepreneurs in running their business efficiently.

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