

Korean Customer Attitudes Towards SNS Shopping

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Abstract

As a new format of retailing, social shopping on SNS has rapidly grown in recent. Although there is much literature associated with customer behaviours in the academic world, little attention has been paid to identifying the shopping patterns of SNS shoppers. This paper will, thus, identify how perceived value has an impact on the buying intention of SNS shoppers, after illustrating what kind of factor influences the formation process of perceived value in the Korean marketplace. Given that SNS shoppers are for the most part 20s as well as 30s, the authors handed out questionnaires to them. Furthermore, based on literature review results, the conceptualised research model was developed. Despite lack of literature, the authors developed five constructs like price reduction, quantity- and time-limited message, product ranges, information-sharing, and required number of shoppers. The researchers made a considerable effort to identify the relationship between research concepts and each variable, based on a few research analysis methods such as frequency analysis, the Varimax rotation technique used orthogonal rotation, Cronbach's Alpha, PCA (Principle Component Analysis), and the like. Amongst the 5 variables used to measure the degree of influences on the perceived value as a social shopping characteristic, it has been evident that price cut, required minimum shoppers, product variety, and information-sharing have a positive impact on the perceived value formation processes of SNS customers. Also, this research implies that SNS retailers can differentiate themselves from other retailers by differently using the above factors. From a practitioner's point of view, these factors should be strategically used to increase the social shopping opportunities of SNS users. It is, furthermore, evident that the perceived value formed by the above 4 factors have played an important role in the buying decision process of SNS customers. In a sense, whether customers are aware of higher price cut rates, information-sharing, required minimum shoppers, and product variety has a positive impact on making buying decisions. From a retailer's point of view, online shopping mall operators are able to use blog as

well as twitter to improve the buying intention as a marketing tool of social network, because the business activities provided by social shopping retailers, like the rapid, accurate responses to customer requirements, the provision of a variety of information, and the communications between customers are closely related to buying intentions. There are a few research limitations to conduct this empirical research. It was not easy to review prior papers, due to its lack. In spite of the increasing number of SNS shoppers in Korea, little research attention has been paid to this kind of research topic by academicians, because buying products or services through SNS is in its infancy. With regard to research populations, it would be difficult to generalise the research findings in Korea, owing to unbalanced respondent distribution. Considering the above research limitations as well as the growth of social shopping, many authors should pay considerable attention to SNS-related issues in the future, and develop the more sophisticated criteria to measure the characteristics of SNS shoppers.

Keywords : Social Network Service, Social Shopping, SNS User, Online Shopping, Customer Attitudes.

JEL Classifications : L81, M21, M31.

I. Introduction

With the increasing number of SNS (Social Shopping Service) users, politics, economy, society, culture, and the like have been influenced by SNS, and further, social shopping through SNS has started to attract many authors' interest in recent (e.g. Kleck et al., 2007; Tong et al., 2008; Cha, 2009; Antheunis and Schouten, 2011; Chang and Zhu, 2011; Lee et al., 2012). According to the latest study conducted by Kohut (2008), SNS users in US reached to 67 % of younger generations from 18 to 30 years in 2008. In the early stage, a huge number of studies focused on identifying the characteristics of the SNS customers keeping in touch with their friends as well as developing new friends (e.g. Boyd, 2004), rather than studying SNS shoppers. Since the emergence of Internet shopping, 99 % of Internet users have shopped online in South Korea, whilst concerned about the product categories purchased by customers, it is apparent that product ranges have been widened from books or CDs to airline tickets or electronic equipment (Nielsen, 2008). In other words, the South Korean customers have enjoyed buying products through SNS, as a part of the retailing contexts resulted from SNS adoption, due to so-

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phisticated information technology. It is, therefore, interesting to see how SNS customers respond to the commercial strategies provided by SNS retailers, such as price reduction more than 50 % as well as price comparison in real time. Also, retailers have made a considerable effort to effectively manage their customers in terms of customer relationship management.

In parallel with the increasing interest in social shopping, retailers have tried to attract more customers with better customer services, in order to generate more profits. As evidence, Schonfeld (2006) argued that one of the most popular Korean social network providers, Cyworld.co.kr, generated \$300,000 worth sales volume a day by selling products like music, avatars, and customised profile layouts in 2006. Nevertheless, researchers are less interested in examining the shopping behaviours of SNS customers, such as how to collect product information and make a buying decision, despite the fact that social shopping has rapidly grown in the Korean marketplace.

This paper will, thus, identify how perceived value influences customer buying intention, after illustrating what kind of factor is related to the formation process of perceived value, such as price cut, product assortment, quantity- and time-limited message, information-sharing, and required number of shoppers, in the Korean marketplace. Compared to the previous studies examined customers buying products at retail outlets (e.g. Frank and Boyd, 1965; Bettman, 1974; Rha and Cho, 2011; Chung and Cho, 2011), the authors will focus on exploring the characteristics of SNS customers.

To achieve the above research aim, this paper consists of four sections. A literature review is presented to conceptualise the research model and to develop relevant questions, considering prior research results. How to be studied is given with research analysis techniques on the second section with research populations. While the third section looks at research findings, the authors finally draw conclusions as well as research limitations.

II. Literature review

1. Social shopping

It is necessary to note the concept of social shopping here, even though authors have paid little attention to this research topic in the academic world. Rather than distinguishing social shopping from other electronic trading terms such as social commerce, e-commerce or electronic commerce, many researchers have interchangeably used them. In fact, it is very difficult to define the social shopping. Nonetheless, we define the social shopping as a part of the electronic business models selling the minimum amount of a particular product planned by a web-site operator in advance at the lowest price during a given time period, based on the Internet system. Particularly, the researchers look at SNS users amongst many different types of electronic shoppers, rather than simple Internet users, regardless of PC Internet and wireless mobile and laptop Internet.

Compared to the past when the Internet users utilised SNS as a means to investigate profiles, search for friends, email someone, listen to music, and so on (Li, 2007), Rutledge (2000) argued that young

generations were more likely to utilize the Internet as a effective way to buy products/services they want, like music, books and apparel. In a word, SNS has been accepted as a commercial means to sell or buy products.

As the first characteristic of social shopping, it should be mentioned that SNS users are more likely to exchange product information with others on SNS to make the deal that requires the amount of products to a minimum. Based on this kind of business activities, customers are able to enjoy a huge price reduction and retailers to generate mass sales as well as advertising effects. Due to these advantages, the major product categories preferred by customers are service tickets without direct delivery services such as gift vouchers, film tickets, gift cards and so on.

With regard to promotion methods, it is demonstrated through existing literature that price cut is considered as one of the most effective techniques to improve sales volume. It is, furthermore, interesting to review Van Heerde et al.' findings (2000) that customers tend to put off buying products, because they expect that retailers will reduce regular product prices soon to increase sales volume. It means that retailers might be able to predict the effect of price cut in terms of sales improvement. In a sense, price-cut information might be able to influence the decision-making process of SNS users or encourage potential customers to stay on electronic lines like mobile as well as the Internet to take part in buying a product.

It should be, furthermore, noted that the scarcity message which the quantity of selling products are limited is more likely to increase the perceived value, stimulate the psychological pressure of customers, and be connected with buying intention as a marketing strategy, as shown in the Elaboration Likelihood Model developed by Petty & Cacioppo (1986). In other words, the availability within a given time limit tends to make customers impulsively purchase products, because of increased perceived value.

Unlike off-line shopping activities, SNS users using the Internet as apart of social shopping methods can easily share their knowledge associated with products or services and shopping experiences through social network websites, according to Hennig-Thurau et al. (2004). Based on the above discussion, the authors will develop research variables and hypotheses, considering existing literature.

2. Price reduction

In general, e-commerce has been driven by a price factor, that is, providing customers with detailed price information and the cheapest price (Sparks and Findlay, 2000). As one of the most popular promotion methods used by market players in the retailing industry, regardless of manufacturers or retailers, price reduction has encouraged many researchers to explore its effects on customers, manufacturers and retailers (e.g. Walters, 1991; Grewal et al., 1994; Aggarwal and Cha, 1998). As an example, Mulhern and Padgett (1995) stated that price promotion was a marketing wisdom to attract the customers who buy products at regular price, whilst Wilkinson et al. (1982) argued that price cut is used as a retail strategy to maintain existing customers or take customers away from competitors.

Without doubt, price discount is regarded as one of the important

promotional techniques in an off-line retailing sector, as demonstrated by prior research (e.g. Mulhern and Padgett, 1995). It is, however, difficult to review the articles associated with the correlation between SNS users and a price factor, due to lack of existing literature. It would, nevertheless, be expected that like shoppers at retail units, SNS users should be influenced by the degree of price cutting, when making buying-decisions, based on the previous studies (e.g. Reynolds, 1974; Korgaonkar, 1984). By contrast, Liang (2006) found through empirical research in Taiwan that there was no evidence that Internet shoppers were more sensitive to price than non-shoppers.

Irrespective of shopping destinations, it is generally accepted that price cut has an impact on customer buying behaviours. Accordingly, the authors developed variables about price discount influences, based on Reynolds (1974) as well as Berkowitz and Walton (1980). In relation to a price factor, consequently, the research suggests the following hypothesis:

H1: Price reduction has a positive effect on the perceived value of customers buying products/services through SNS.

3. Quantity- and time-limited message

Before developing the limited message variables such as shopping time and product quantity, it should be noted that little attention has been paid to the examination of the extent to which limited shopping conditions affect customers in the retailing academic world, whilst some economists (e.g. Fromkin, 1970; Atlas and Synder, 1978) have made significant efforts to identify the degree of its influences as a commodity theory. Unlike offline retailers, nevertheless, it should be kept in mind that SNS retailers have to display their products/services on on-line spaces within a limited time period with a limited product amount. Without being able to make a deal within a given time period, a SNS retailer's trade proposal should be gone. Whether this topic, thus, influences the decision-making process of SNS shoppers should be noted here.

As Verhallen (1982) stated that customers were more influenced by the limited amount of products, when buying the products that were attractive from a customer's point of view, the limited messages might be able to entice potential SNS buyers to click products/services provided by retailers, on the premise that those products/services are expected to be purchased somewhere in the near future. With significant price cut rates, similarly, the limited quantity information might stimulate the shopping motivation of customers, as pointed by Cialdini (1985) who highlighted that scarcity tended to enhance the customer perceived value of products. Given this argument, it is frequently witnessed that retailers have introduced a first-come-first-served basis selling technique as a promotion method with the limited product quantity.

In other words, as part of stimuli to encourage shoppers to make buying-decision in a hurry, scarcity value is frequently utilized by retailers. Consequently, the authors propose that:

H2: Quantity- and time-limited message has a positive effect on customers buying products/services through SNS.

4. Required minimum number of shoppers

If the shoppers taking part in purchasing the products suggested by SNS retailers is not met to the required limited number condition at least, this shopping or trading opportunity might systematically disappear on SNS, that is, this is a compulsory option to complete a SNS transaction. In general, there is no limited store traffic in the retailing sector. As a matter of fact, rather than limiting the number of customers, most retailers have allocated their marketing resources to the increase of visiting customers. That is why this kind of trading form is not frequently experienced in the retailing industry. Thus, authors have paid little attention to this issue, and further, SNS shopping pattern, because this type of retailing is in its infancy. It is accordingly necessary to develop variables related to this topic in our own right.

The fact that SNS retailers inform customers of the limited number of shoppers might be similar to the characteristics of quantity- and time-limited message. Again, retailers seem to depend on the principle of first-come-first-served basis, as mentioned earlier. In case of the much more popular product categories, in fact, this kind of shopping condition tends to attract more SNS customers within a relatively short time period, compared to unpopular products. That is why SNS retailers are prone to choose attractive products/services to guarantee their proposal on SNS as a deal. Considering that retailers are more likely to deal with popular product ranges, this condition is accepted as one of the important stimuli. Based on some variables, such as the degree of product choice and customer attitudes towards limited shopper numbers, designed to measure to what extent this factor influences customer perceived value, the research hypothesises that:

H3: Required minimum number of shoppers has a positive effect on the perceived value of customers buying products/services through SNS.

5. Product variety

Without doubt, product ranges are the key element to attract customers in retailing, irrespective of on- and off-line retail operators. From a customer perspective, the more choice chances to select a product, the higher the customer satisfaction (Levav and Ariely, 2000). Compared to off-line retailers such as Tesco, Carrefour and Wal-Mart, in the event of SNS retailers, there is a limited room to provide a variety of product ranges for customers. Even though SNS retailers want to sell various product assortments at the same time, they cannot deal with them, due to the limited display spaces on SNS. That is, they are faced with too many constraints, in terms of selling spaces in which retailers are able to display various product categories on store shelves. In this respect, SNS retailers have got extremely limited selling areas. Furthermore, it is expected that this limitation is able to discourage SNS customers to purchase product or services, due to dissatisfaction resulted from only one option to choose the product they want (Ahmed et al., 2009).

Given that a wide variety of product assortment stimulate customers to spend considerable emotional and cognitive costs on making

buying-decisions to evaluate each available alternative (e.g. Ahmed et al., 2009), by contrast, it is unwise to say that the above argument is right. In the same vein, Iyengar and Lepper (1999) found that providing excessive product selection chances for customers tended to give rise to the decrease of sales performance, rather than increase. Depending on the number of SKU (Stock Keeping Unit) or product characteristics, it is natural that the degree of customer satisfaction associated with variety seeking would differ. In that two contradictory theories exist in the academic world, it might be accepted that product ranges on SNS shopping malls help customers to save shopping time and further, comparison time with other alternatives:

H4: Product ranges have a positive effect on the perceived value of customers buying products/services through SNS.

6. Information-sharing

To complete the trading terms of SNS shopping, it is inevitable to effectively or efficiently make SNS shoppers share shopping-related information, such as selling products, prices, quality, the degree of price cut, and the like. There is no doubt that the extent to which potential SNS shoppers share product-selling information is closely related to the completion of SNS shopping from a SNS retailer's point of view. If customers do not share this issue to be accepted as a deal, retailers might lose many selling opportunities, due to lack of shoppers. In a word, this issue should be considered as one of the most influential factors from a retailer's as well as a SNS shopper's perspective. Little attention has been, nevertheless, paid by research academicians. It might be due to a relatively smaller market size, compared to other on/off-line markets.

As pointed by Li (2007), notwithstanding, SNS users tended to share personal information, rather than commercial product/services-related information in the past. Through an empirical study, however, it is found in recent that the SNS users who are more connected to and engaged in social networks are more likely to share commercial information (Jansen et al., 2011). Likewise, Tapscott (2008) emphasized that teenagers were prone to talk about online shopping experiences through using online communication tools. Considering the above discussion, the research proposes the following hypothesis:

H5: Information-sharing has a positive effect on the perceived value of customers buying products/services through SNS.

7. Perceived value

Although there is, in fact, little interest in investigating the perceived value formation processes of on-line shoppers, the authors reviewed off-line customer perceived value to develop perceived value variables, based on prior research findings. Before developing variables, it is necessary to look at the definition of the term, customer perceived value to better understand the relationship between the factors influencing social shopping and this item. In order to define this term, a few authors made a significant effort. For instance, Zeithaml (1988) stated that customer perceived value can be translated into the

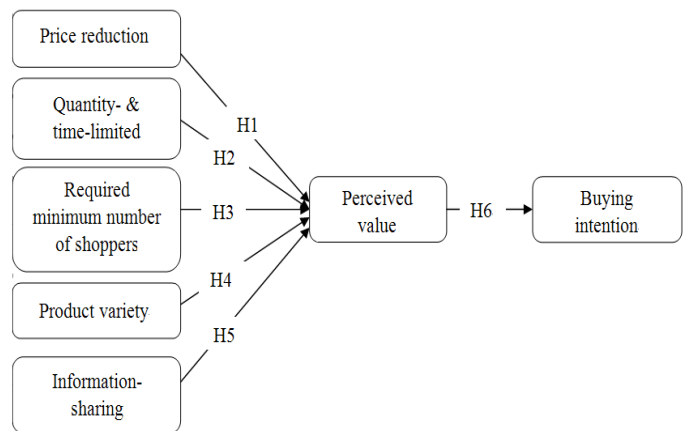
“customer’s overall assessment of the utility of a product (or service), based on perceptions of what is received and what is given.” In addition, this definition is concerned about low price, the degree of product quality, product expectation, and benefit being able to get from products. Moreover, customers differently perceive value at the different stages of the buying process (Woodruff, 1997).

According to Chang and Wildt (1994), it is evident that the perceived value of customers as the key determinant to make buying-decisions plays an important role, that is, it makes a considerable contribution to the willingness to buy products/services. In consistent with this argument, customer perceived value has been accepted as a criterion to examine the potential growth of electronic organizations in the retailing sector (Windischhofer and Ruola, 2002). In order to identify whether the perceived value of customers affects purchasing intention directly or indirectly, there is a need for reviewing the correlation between perceived value and purchase intention. In light of the above discussion, the research proposes that:

H6: Perceived value has a positive effect on buying intention.

8. Research methodology

Given that the younger generations from 10s to 30s are more likely to have access to the Internet as a major SNS user, as demonstrated by Rutledge (2000) and Tapscott (2008), research subjects should be focused on identifying their shopping patterns. In order to explore their decision-making process, rather than adopting a qualitative research technique, it is suitable to ask respondents to answer the questions designed, based on previous research results. Due to the lack of the previous literature related to SNS shopping behaviours, some variables are introduced by general customer behaviour articles, such as price reduction, product assortments, perceived value, buying intention, while others like the required minimum number of customers as well as information-sharing, are created, based on the similar literature, as seen in Figure 1. The data collected are measured by a five-point Likert scale.



<Figure 1> Conceptualised research model

9. Research populations

As mentioned the earlier section, most of respondents are aged from 20s to 30s, because they are major Internet users, compared to the elderly. Basically, considering that the research focuses on identifying the characteristics of SNS shoppers, it is natural that research subjects should be the main user group who are frequently exposed to SNS. It should be, also, noted that most of participants are taking the author's lessons at Korean universities. Without explaining how to answer the questions, the researcher handed out a questionnaire to graduates and took it back at classrooms. Furthermore, the rest of them were completed by the authors' acquaintance in both Seoul and Kyeonggi-region.

With regard to respondent rate, the researchers totally distributed 230 questionnaires and 200 were available, which means that its respondent rate is 86.95 %, while the survey was conducted from October to December in 2011 in Korea. By using SPSS 18.0, the research analysed socio-demographic factors with a frequency method.

As shown in Table 1, female group accounted for 57 % of respondents, while a male category was about 43 %. Regarding age, the 20s who was over 92 % dominated research populations. Rather than workers, students took part in the research in particular.

<Table 1> Research profile

Factors		Frequency	%
Sex	Male	86	43.0
	Female	114	57.0
age	10s	8	4.0
	20s	185	92.5
	30s	7	3.5
Occupation	Student	161	80.5
	Salaried man	39	19.5
Pocket money	Less than \100,000	15	7.5
	\100,000 ~ less than \200,000	36	18.0
	\200,000 ~ less than \300,000	43	21.5
	\300,000 ~ less than \400,000	42	21.0
	More than \400,000	64	32.0
Total		200	100.0

10. Reliability and validity

Like any research, it is important to increase the degree of reliability as well as validity to be recognized as an academic paper, when measuring a variety of variables. Accordingly, through the evaluation process of concepts and variables suggested by the authors, whether dependent and independent elements were available was confirmed. In other words, the authors made a considerable effort to identify the relationship between research concepts and each variable, based on a few research analysis methods such as frequency analysis, the Varimax rotation technique used orthogonal rotation, Cronbach's Alpha, PCA (Principle Component Analysis), and the like.

When analysing the demographic features of research subjects, this study adopted a frequency analysis method to explore how they are related to shopping patterns when buying products through SNS. As

one of the factor loading analysis methods, also, the researchers introduced Varimax rotation to tackle multicollinearity and check the correlation between variables, as pointed out by Kaiser (1958).

<Table 2> Results of Factor analysis and reliability analysis

Construct	Variables	Factor loading	Eigenvalue	Accumulated variance	Cronbach's Alpha
Awareness of price cut	Price reduction	0.832	3.345	17.823	0.781
	Cheaper price	0.792			
	Many chances to buy cheap products	0.787			
	Higher discount rates	0.607			
Scarcity of time & quantity	Limited quantity	0.819	2.534	12.446	0.718
	Limited time & quantity	0.792			
	Limited time	0.751			
Product ranges	Whether customers share product information through blogs & SNS	0.684	1.440	12.024	0.656
	Whether customers discuss their opinions through blogs & SNS	0.682			
	Various ranges	0.624			
	Whether products customers want are sold	0.618			
Attitudes towards limited number of shoppers	Let others know information	0.873	1.224	9.529	0.598
	If there are many buyers, I purchase it	0.748			
Sharing of service & information	Quality information	0.888	1.714	12.288	0.640
	Product information	0.754			
	Response to customer requirement	0.544			

As seen in Table 2, the results of factor loading analysis are presented through Cronbach's alpha in examining data reliability, and further, adopted PCA to investigate research reliability. Amongst suggested variables, the authors removed the variances that are not available because of lower factor loading indexes and extracted the 5 factors that Eigenvalue was over 1. As a result, the accumulated variance of the 5 factors is 64.1 %, which means that the research is reliable. In addition, in order to illuminate the relationship between perceived value and purchase intentions as well as social shopping characteristics, the authors introduced a multiple regression analysis technique. With respect to Cronbach's Alpha, also, the analysis results of each variable are over 0.6, that is, the research result is available to verify research hypotheses.

11. Findings and discussion

Through adopting correlation analysis method, the authors con-

firming whether the correlation between variables exist, as seen in Table 1 and 2. Statistically, except for the negative correlation (-0.031) between price reduction and a limited message, the rest of the variables are correlated with each other, as shown in Table 3 and 4. Furthermore, it is found that the correlation between independent variables is not so important (0.333), given $p < 0.05$. Accordingly, a regression analysis is needed to look at whether the different relationships between those variables exist.

<Table 3> Correlation analysis result-1

	Price reduction	Limited message	Information -sharing	Product Variety	RMS
Price reduction	1	-0.031	0.035	0.275**	0.158*
Limited message	-0.031	1	0.187**	0.086	0.168*
Information -sharing	0.035	0.187**	1	0.307**	0.063
Product variety	0.275**	0.086	0.307**	1	0.033
RMS	0.158*	0.168*	0.063	0.033	1

** $P < 0.01$ and * $P < 0.05$, RMS: Required Minimum Shoppers

In order to explore the hypotheses suggested while reviewing literature, the authors adopted a multiple regression analysis method, by using perceived value as a dependant variable as well as price reduction, limited message, information-sharing, product variety and required minimum shoppers as an independent variable, on the assumption that the five variables of social characteristics s have a positive impact on the perceived value, as seen in Table 4. With regard to the result of multi regression analysis, the research found that price reduction, information-sharing, product variety and required minimum shoppers have positively influenced the perceived value, rejecting H 2 which quantity- and time-limited message has a positive effect on customers buying products/services through SNS, given that significant level is 0.05.

<Table 4> Correlation analysis result-2

	Perceived value	Purchasing intention
Perceived value	1	0.333**
Purchasing intention	0.333**	1

** $P < 0.01$ and * $P < 0.05$

When it comes to the relation between perceived value and the independent variables characterised by social shopping, R, which explains the extent to which a regression model is fit to population, is 0.437 and F 30.169, whilst P-value is 0.000. It means that this regression model is significant.

<Table 5> Influences of social shopping characteristics on perceived value

	R*	F	P-value	B	Standardised deviation	beta	t-test	P-value	Testing of hypothesis
Constant	0.437	30.169	0.000	3.345	0.041		82.386	0.000	
Price reduction				0.368	0.041	0.487	9.041	0.000	Accepted
Limited message				0.009	0.041	0.012	0.230	0.819	Rejected
RMS				0.085	0.041	0.112	2.086	0.038	Accepted
Product variety				0.230	0.041	0.305	5.661	0.000	Accepted
Information-sharing				0.233	0.041	0.308	5.714	0.000	Accepted

R*: R squared, RMS: Required Minimum Shoppers

As a result, it should be mentioned that quantity- and time-limited message do not influence the perceived value of SNS shoppers, that is to say, SNS customers do not care about the limited message on SNS, when perceiving the value of products/services being sold on SNS. By contrast, the authors realise that SNS users perceive the rest of independent variables as the important factor affecting their value conception, in terms of practical and economical dimensions.

In order to demonstrate H 6 which perceived value has a positive effect on buying intention, likewise, the research used a simple linear regression analysis method as a research technique, regarding buying intention as a dependent variable as well as perceived value as an independent variable. Regarding the relation between perceived value and purchasing purpose, R is 0.174 and F 41.720, as seen in Table 6. In other words, this analysis result is available to identify H 6, that is to say, the perceived value has a significant effect on the willingness to buy products/services on SNS.

Accordingly, the research concludes that the perceived value formed by price cut, information-sharing, various product ranges and minimum number of shoppers, is apparently related to the buying intention of SNS shoppers.

<Table 6> Influences of perceived value on buying intention

	R*	F	P-value	B	Standardised deviation	beta	t-test	P-value	Testing of hypothesis
Constant	0.174	41.720	0.000	3.203	0.043		74.027	0.000	
Perceived value				0.280	0.043	0.417	6.450	0.000	Accepted

R*: R squared

As a whole, except for H2, the rest of those hypotheses are accepted, as shown in Table 5 as well as 6.

III. Conclusions

Through an empirical study, the authors examined whether the variables related to social shopping characteristics influence the perceived value of customers, based on the data base gathered from 10 to 30 years old using frequently SNS, and further, to what extent this perceived value affects Korean consumer willingness to buy products/services. The research delivers some implications from an academician's as well as practitioner's perspective.

Firstly, amongst the 5 variables used to measure the degree of influences on the perceived value as a social shopping characteristic, it has been evident that price cut, required minimum shoppers, product

variety, and information-sharing have a positive impact on the perceived value formation processes of SNS customers. In the end, when operating SNS shopping malls, retailers should pay considerable attention into these 4 factors to attract more new SNS users, and further, to maintain existing customers. Also, this research implies that SNS retailers can differentiate themselves from other retailers by differently using the above factors. From a practitioner's point of view, these factors should be strategically used to increase the social shopping opportunities of SNS users.

Secondly, the authors found that the perceived value formed by the above 4 factors have played an important role in the buying decision process of SNS customers. In other words, as they perceive the value of social shopping higher, the desire to buy products increases on SNS. In a sense, whether customers are aware of higher price cut rates, information-sharing, required minimum shoppers, and product variety has a positive impact on making buying decisions. From a retailer's point of view, this result implies that online shopping mall operators are able to use blog as well as twitter to improve the buying intention as a marketing tool of social network, because the business activities provided by social shopping retailers, like the rapid, accurate responses to customer requirements, the provision of a variety of information, and the communications between customers are closely related to buying intentions.

To sum up, in that social shopping is rapidly growing as an innovative retailing format in the Korean market, the research suggested what kind of factor influences SNS shoppers, identifying the elements affecting the decision-making process of customers.

There are a few research limitations to conduct this empirical research. First of all, it was not easy to review prior papers, due to its lack. As pointed by Nielsen report (2008), South Korean customers have led online shopping trend, because of well-established information technology. Nevertheless, little research attention has been paid to this kind of research topic by academicians, because buying products or services through SNS is in its infancy.

With regard to research populations, it would be difficult to generalise the research findings in Korea, owing to unbalanced respondent distribution. In other words, given ages studied, this finding would not be suitable to old generations, even though the research results might be able to explain the shopping behaviours of younger generations using SNS.

Considering the above research limitations as well as the growth of social shopping, many authors should pay considerable attention to SNS-related issues in the future, and develop the more sophisticated criteria to measure the characteristics of SNS shoppers.

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