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# The Effects of SNS Characteristics on Purchase Intention

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## Abstract

**Purpose** - This study investigated not only social network service (SNS) characteristics' effects on continuous use intention and reliability, but also the effects of continuous use intention and reliability on purchase intention.

**Research design, data, and methodology** - The subjects comprised 274 SNS users in their twenties. The research was conducted over three weeks from October 16, 2013 to November 6, 2013, using questionnaires. A total of 267 copies were collected; 255 copies were used after excluding unsuitable copies.

**Results** - Marketers who used SNSs should establish a bi-directional community and SNS page information exchange. SNS marketers should exchange useful information quickly through SNS pages, to differentiate themselves from competitors. Enterprises should use SNSs for marketing, considering not only continuous use intention but also reliability, to elevate product purchase intention.

**Conclusions** - The study had limitations. Most subjects were students aged 24 to 28 years; the findings cannot be generalized. Second, personal computers (PCs) and smartphones had similar influence. Third, the preferences and/or characteristics of each SNS type were not reflected in marketing.

**Keywords:** Social network service (SNS), Characteristics, Purchase Intention,

**JEL Classifications:** L81, M21, M31.

## 1. Purposes and Needs

Modern society made change greatly owing to development and distribution of computer and Internet, and SNS, that is to

say, social network service grew up quickly last some year to make new personal connections and to produce wide networks (Smith, 2007). Currently, more than 60 percent of Internet users in the world, in other words, 1 billion and 433.5 million persons have made use of SNS. In the era of information, Internet has been widely used to advance civilization of technology and to create new system and methods of the society and to have various kinds of communication means.

Last some years, SNS has grown up rapidly owing to development of Internet and mobile service. Increase of global users was enough to be given attention at rapid growth of SNS: For instance, number of Face-book users exceeded 1.1 billion persons as of August 2013, and face-book was developed to help users share daily communication based on formation of personal relation to accelerate SNS growth. SNS can be new type of communication way that has destroyed fixed ideas from many aspects.

In this study, SNS users were thought to exchange information in new communication system and enterprises had done marketing by SNS channels, and SNS information that was a kind of online word of mouth would have good influence upon consumers' purchasing decision-making.

SNS has been developed the most in online community to be important media. The ones in their twenties had the highest SNS use ratio of 61 percent (Shin, 2013). Considering such a fact, the study has investigated effects of SNS characteristics upon purchase intention and has helped develop SNS business models and to establish marketing strategies.

## 2. Theoretical Background

### 2.1. Concept of Social Network Service (SNS)

Social network service (SNS) allows users to have new human relation and to strengthen existing human relations. SNS, new human network-making service base on 1-person media and 1-person community, introduces friends to participants each other and to expand friend relations. SNS gives one's information, experience and values to another person having relation and accepts their information, experience and values to communicate each other. The ones who have common interest and/or do common acts online can disclose their personal in-

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formation formally or informally to a certain number of persons during specific time to establish human relations and to give web based online services.

SNS has grown up rapidly to make change of one's lives and to be developed day by day. Return to one's lives makes ones be absorbed in SNS to strengthen SNS power.

## 2.2. Features of Social Network Service (SNS)

Each SNS has its own functions and features to be difficult to define features comprehensively. Scientific, social and industrial points of view of SNS have paid attention to specific areas, and SNS has features: SNS based on twitter has five points of view (Lee, 2013):

First, SNS is thought to be a marketing tool. Not only common businesses but also traditional media and IT business have put emphasis upon such a functional use. Second, SNS is thought to be communication by computer that is often found in studies on communication. Such a point of view has paid attention to difference and/or similarity with face-to-face communication. Third, SNS is thought to be social relation network from point of view of social network analysis (SNA). Such a point of view has firstly paid attention of network itself and its structural features. Fourth, SNS is thought to have power relations and/or influence and to exercise power from point of view of the politics and/or study on political communication. The study has investigated the points of view by using power users' attributes and features. Lastly, SNS is thought to be research subject of use of computers. The point of view allows computer scientists to investigate social phenomenon of SNS and to discover rules by computer processing of large quantity of data.

## 2.3. Precedent Studies on SNS

Studies below have themes that are similar to that of the study: Usefulness, promptness and playing were found to increase continuous use intention and continuous use intention was found to increase consumers' purchase intention at study on effects of use intention upon purchase intention of SNS users (Cho et al, 2012). High reliability increased satisfaction and purchase intention, and high satisfaction increased purchase intention at the study on effects of reliability and satisfaction of SNS retrieval service upon purchase intention (Lee et al, 2011). Third, SNS use, purpose of information obtaining, purpose of human relation building, sociality and control stimulus inclination had influence upon emotional connectedness building at the study on SNS users' use behavior and emotional connectedness building (Kim et al, 2009). Amusement, mutual reaction and usefulness of SNS characteristics had influence upon continuous commitment and normative commitment through participatory behavior at the study on factors having influence upon SNS users' continuous use intention (Kim et al, 2012).

## 3. Contents and Methods

### 3.1. Research Models and Hypotheses

In this study, research models investigated effects of SNS characteristics of enterprises upon users' continuous use intention and reliability at rapid development of SNS to verify effects of continuous use intention and reliability upon purchase intention. The study set research models according to precedent studies. The study classified SNS characteristics into usefulness, promptness, mutual reaction, significance and accessibility. Research models were used to investigate effects of users' continuous use intention and reliability upon purchase intention(Choi et al., 2014; Kim et al., 2014; Singh, 2014); Kim, 2014; Kim et al.; Kim et al., 2012).

SNS characteristics having influence upon purchase intention included usefulness, promptness, mutual reaction, playing and accessibility. The study made hypotheses based on literature studies on concepts to describe relations between variables before verifying variables of research models statistically. Hypotheses were (Table 1):

<Table 1> Hypotheses

Hypotheses	Path
H1	SNS characteristics have positive relation with continuous use intention.
H1-1	Usefulness has positive relation with continuous use intention.
H1-2	Promptness has positive relation with continuous use intention.
H1-3	Mutual reaction has positive relation with continuous use intention.
H1-4	Playing has positive relation with continuous use intention.
H1-5	Accessibility has positive relation with continuous use intention.
H2	SNS characteristics have positive relation with reliability.
H2-1	Usefulness has positive relation with reliability.
H2-2	Promptness has positive relation with reliability.
H2-3	Mutual reaction has positive relation with reliability.
H2-4	Playing has positive relation with reliability.
H2-5	Accessibility has positive relation with reliability.
H3	Continuous use intention has positive relation with purchase intention.
H4	Reliability has positive relation with purchase intention.

### 3.2. Methodologies

#### 3.2.1. Measurement of Variables

This study investigated effects of SNS characteristics upon continuous use intention and reliability, effects of continuous use

intention upon purchase intention, and effects of reliability upon purchase intention. The subject was undergraduate students of universities in Metropolitan area.

Questionnaire survey was used, and questionnaires were made out by referring to precedent studies. 33 questions were used to consist of 4 questions in nominal scale of gender, age, occupation and educational background according to demographic characteristics and another 4 questions in nominal scale of SNS use status. And, 15 questions of SNS characteristics, 4 questions of continuous use intention, 3 questions of reliability and 3 questions of purchase intention were used: Likert 5-point scale was used.

### 3.2.2. Material Collection and Analysis

Questionnaire survey was done to investigate the ones in their twenties who had not experienced use of SNS. Questionnaires were used to investigate effects of SNS characteristics and purchase intention upon use intention. Preliminary survey was done to inspect validity and reliability of the questionnaires and to remove and make correction firstly questionnaires of SNS characteristics and purchase intention. The ones who had experienced SNS were allowed to fill out the questionnaires.

SPSS 18.0 was used to do frequency analysis and descriptive analysis. Reliability test was done to test reliability between questions, and not only exploratory factor analysis but also confirmatory factor analysis was done to inspect predictability and validity.

## 4. The Findings

### 4.1. General Characteristics of the Subject

The subject had characteristics (Table 2). Men occupied 50.6% (129 persons), while women did 49.4% (126 persons). The ones who were 20 years old or more to less than 22 years old occupied 9.4% (24 persons), and the ones who were 22 years old or more to less than 24 years old did 17.6% (45 persons), and the ones who were 24 years old or more to less than 26 years old did 36.1% (92 persons), and the ones who were 26 years old or more to less than 28 years old did 24.3% (62 persons), and the ones who were 28 years old or more to less than 30 years old did 12.5% (32 persons). Students occupied 65.5% (167 persons), followed by company workers (19.2%, 49 persons), government officials (5.9%, 15 persons), professionals (2.7%, 7 persons), self-employed (1.6%, 4 persons) and housewives (1.2%, 3 persons) and others (3.9%, 10 persons). College students and/or college graduates occupied 85.5% (218 persons), followed by high school graduates or below (10.6%, 27 persons) and graduate school students and/or graduate school graduates (3.9%, 10 persons).

<Table 2> Demographic characteristics

Variables		N	%
Gender	Men	129	50.6
	Women	126	49.4
Age	20 years old or more~ less than 22 years old	24	9.4
	22 years old or more~ less than 24 years old	45	17.6
	24 years old or more~ less than 26 years old	92	36.1
	26 years old or more~ less than 28 years old	62	24.3
	28 years old or more~ less than 30 years old	32	12.5
Occupation	Students	167	65.5
	Company workers	49	19.2
	Professionals	7	2.7
	Self-employed	4	1.6
	Government officials	15	5.9
	Housewives	3	1.2
	Others	10	3.9
Educational background	High school graduate or below	27	10.6
	College students and/or college graduates	218	85.5
	Graduate school students and/or graduate school graduates	10	3.9
Total		255	100.0

### 4.2. SNS Use

SNS use was (Table 3): SNS use time a day was as follow: less than 1 hour (35.3%, 90 persons), 1 to 2 hours (25.9%, 66 persons), 2 to 3 hours (19.6%, 50 persons), 3 to 4 hours (14.1%, 36 persons) and 4 hours or more (5.1%, 13 persons). SNS devices were used: Mobile devices (58.4%, 149 persons), and PC and laptop computer (41.6%, 106 persons). SNS service was used: Micro-blogging (62.4%, 159 persons), online community (17.6%, 45 persons), blog and mini-homepage (12.9%, 33 persons), knowledge sharing service (5.5%, 14 persons) and others (1.6%, 4 persons).

<Table 3> SNS use

Variables		N	%
SNS use time a day on average	less than 1 hour	90	35.3
	1 to 2 hours	66	25.9
	2 to 3 hours	50	19.6
	3 to 4 hours	36	14.1
	4 hours or more	13	5.1
Devices in the use of SNS services	PC/ laptop computer	106	41.6
	Mobile devices	149	58.4
SNS service used	Micro blogging	159	62.4
	Blog, mini homepage	33	12.9
	Knowledge sharing service	14	5.5
	Online community	45	17.6
	Others	4	1.6
Total		255	100.0

### 4.3. Reliability and Validity of Measures

#### 4.3.1. Reliability and Validity of SNS Characteristics Measures

Factor analysis was done to test validity of measuring device. Factors were selected by using three variables. The findings were: Factor loading did not exceed 0.5 to have no question with inconsistency of the concept. Five factors, that is to say, usefulness, promptness, mutual reaction, playing and accessibility were used. Reliability test was done (Table 4): In this study, most of cronbach's alpha coefficients were 0.701 or more to have considerably reliable measurement.

<Table 4> Reliability and Validity of SNS Characteristics

Factors	Questions	Loading	eigen value	Accumulative distribution (%)	Reliability (α)
Factor 1. Usefulness	Supply of useful information	0.878	2.162	72.078	0.805
	Obtaining and sharing of information	0.873			
	Make use of information at daily lives	0.793			
Factor 2. Promptness	Obtain information quickly	0.851	1.855	62.841	0.701
	Communicate quickly	0.841			
	Express information quickly	0.673			
Factor 3. Mutual reaction	Retrieve information actively	0.853	1.923	64.093	0.719
	Obtain information and buy products	0.793			
	Give third party information	0.753			
Factor 4. Playing	Degree of interest	0.894	2.084	69.476	0.780
	Spend time with SNS	0.807			
	Give pleasure	0.796			
Factor 5. Accessibility	Accessibility	0.900	2.130	71.015	0.792
	Progress	0.855			
	Use	0.768			

<Table 6> Effects of SNS characteristics upon continuous use intention

Models		Unstandardized coefficient		Standardized coefficient	t-value	p-value	collinearity statistics	
Dependent variable	Independent variable	B	Standard error	Beta			Tolerance	VIF
Continuous use intention	(Constant)	1.505	.057		.000	1.000		
	Usefulness	.105	.084	.105	1.254	.211	.458	2.182
	Promptness	.089	.089	.089	1.002	.317	.407	2.457
	Mutual reaction	.320	.057	.320	5.628	.000	.995	1.005

#### 4.3.2. Reliability and Validity of Measurements of Continuous Use Intention, Reliability and Purchase Intention

Factor analysis was done to test validity of measuring devices. The findings were: Factor loading did not exceed 0.5 to have no questions having different concept. Factors of continuous use intention, reliability and purchase intention were tested, and reliability test was done to investigate variables (Table 5). Cronbach's alpha coefficients of the variables were 0.726, 0.715 and 0.765 to have considerable reliability of the measurements.

<Table 5> Reliability and validity of continuous use intention, reliability and purchase intention

Factors	Questions	Loading	eigen value	Accumulative distribution (%)	Reliability (α)
Continuous use intention	Continuous use	0.782	2.202	55.045	0.726
	Recommendation	0.742			
	Another person's use	0.735			
	Use of future SNS	0.707			
Reliability	Reliability	0.814	2.351	58.781	0.765
	Use	0.768			
	Usefulness	0.752			
	Technical matter	0.729			
Purchase intention	Reuse in the future	0.840	1.914	63.812	0.715
	Recommendation of purchase intention	0.803			
	Purchase intention by information	0.752			

## 5. Hypothesis Testing

### 5.1. Hypothesis 1 Testing

Multiple regression analysis was done to inspect effects of usefulness, promptness, mutual reaction, playing and accessibility upon continuous use intention to test hypothesis 1 (Table 6):

	Playing	.003	.083	.003	.031	.975	.471	2.124
	Accessibility	.163	.071	.163	2.302	.022	.645	1.554
		R <sup>2</sup> = .200		F = 12.425		P = 0.000		

At regression analysis, R<sup>2</sup> of 0.200 accounted for about 20% of overall variation (Table 6). F value of 12.425(p < 0.000) had p-value of 0.000. So, the regression model was thought to be significant. P-value of t-value was 0.05 of significance level. Hypothesis of 'Not only mutual reaction (H1-3) but also (H1-5) had positive relation' was adopted. Hypothesis H1-3 and H1-5 had positive influence, and hypothesis 1 was partially adopted.

### 5.2. Hypothesis 2 Testing

Multiple regression analysis was done to inspect effects of usefulness, promptness, mutual reaction, playing and accessibility upon reliability (Table 7):

<Table 7> Effects of SNS characteristics upon reliability

Models		Unstandardized coefficient		Standardized coefficient	t-value	p-value	collinearity statistics	
Dependent variable	Independent variable	B	Standard error	Beta			Tolerance	VIF
Reliability	(Constant)	1.532	.044		.000	1.000		
	Usefulness	.244	.065	.244	3.755	.000	.458	2.185
	Promptness	.1207	.069	.207	2.998	.003	.407	2.457
	Mutual reaction	.185	.044	.185	4.182	.000	.995	1.005
	Playing	.211	.064	.211	3.281	.001	.471	2.124
	Accessibility	.154	.055	.154	2.807	.005	.645	1.551
		R <sup>2</sup> = .517		F = 53.241		P = 0.000		

R<sup>2</sup> was 0.201 at regression to account for 20.1% of overall variation (Table 7). F was 12.542(p < 0.000) to have p-value of 0.000. So, the regression model was thought to be significant. Hypothesis that usefulness (H2-1), promptness (H2-2), mutual reaction (H2-3), playing (H2-4) and accessibility (H2-5) had positive relation at p-value of t value of 0.05 was accepted. Hypothesis H2-1, H2-2, H2-3, H2-4 and H2-5 had positive influence, and hypothesis 2 was accepted.

continuous use intention had positive relation upon purchase intention at p-value of t value of 0.05 was accepted.

### 5.3. Test result of hypothesis 3

To test hypothesis 3, simple regression analysis was done to investigate effects of continuous use intention upon purchase intention (Table 8):

### 5.4. Hypothesis 4 test result

To test hypothesis 4, simple regression analysis was done to investigate effects of reliability upon purchase intention (Table 9):

<Table 8> Effects of continuous use intention upon purchase intention

Models		Unstandardized coefficient		Standardized coefficient	T-value	p-value
Dependent variable	Independent variable	B	Standard error	Beta		
Purchase intention	Continuous use intention	1.770	.057		.000	1.000
		.402	.058	.402	6.991	.000
		R <sup>2</sup> = .162		F = 48.873		P = 0.000

R<sup>2</sup> was 0.162 to account for 16.2% of total variation (Table 8). F was 48.873(p < 0.000) with p-value of 0.000. The regression model was thought to be significant. Hypothesis that

<Table 9> Effects of Reliability upon Purchase Intention

Models		Unstandardized coefficient		Standardized coefficient	T-value	p-value
Dependent variable	Independent variable	B	Standard error	Beta		
Purchase intention	Reliability	7.386	.056		.000	1.000
		.458	.056	.458	8.192	.000
		R <sup>2</sup> = .210		F = 67.105		P = 0.000

The regression analysis showed that R<sup>2</sup> was 0.210 to account for 21.0% of total variation (Table 9). F was 67.105(p < 0.000) with p-value of 0.000. The regression model was thought to be significant. Hypothesis (H4) that reliability had positive relation upon purchase intention at p-value of t value of 0.05 was accepted.

Test results of the hypotheses were (Table 10):

**<Table 10>** Test results of the hypotheses

Hypotheses	Path	Accept or reject
H1	SNS characteristics have positive relation with continuous use intention.	Partially accepted
H1-1	Usefulness has positive relation with continuous use intention.	Rejected
	Promptness has positive relation with continuous use intention.	Rejected
	Mutual reaction has positive relation with continuous use intention.	Accepted
	Playing has positive relation with continuous use intention.	Rejected
	Accessibility has positive relation with continuous use intention.	Accepted
H2	SNS characteristics have positive relation with reliability.	Accepted
H2-1	Usefulness has positive relation with reliability.	Accepted
	Promptness has positive relation with reliability.	Accepted
	Mutual reaction has positive relation with reliability.	Accepted
	Playing has positive relation with reliability.	Accepted
	Accessibility has positive relation with reliability.	Accepted
H3	Continuous use intention has positive relation with purchase intention.	Accepted
H4	Reliability has positive relation with purchase intention.	Accepted

## 6. Summary and Suggestions

Many citizens made use of SNS for the purpose of network and amusement in accordance with rapid increase of SNS users and got information on the commodities that they had purchase intention. SNS expanded influence in accordance with distribution of smart phone among young people in their twenties.

This study investigated effects of SNS characteristics upon continuous use intention and reliability, and examined important factors by empirical study on effects of continuous intention and reliability upon purchase intention.

The findings were: First, mutual reaction and accessibility had positive relation with continuous use intention. In other words, mutual reaction and accessibility improved continuous use intention. And, usefulness, promptness and playing had no influence upon continuous use intention. Not only mutual reaction but also accessibility was assumed not to have influence upon continuous use intention according to result of precedent studies: But, not only mutual reaction but also accessibility had influence upon continuous use intention as well as reliability. In other words, social marketers were asked to make effort to develop bi-directional community in addition to information exchange for the ones in their twenties.

Second, all of SNS characteristics had positive relation with

reliability. In other words, usefulness, promptness, mutual reaction, playing and accessibility promoted reliability. At first, usefulness was found to be significant: Effective supply of information for SNS users could elevate reliability to have purchase intention. SNS users who find out and get information immediately may have reliability so that enterprises shall provide SNS users with various kinds of prompt services through various kinds of SNS channels and access paths. Not only mutual reaction but also playing allows SNS users in their twenties to exchange information and to have interests and pleasure in the use of SNS and to join SNS: The interest and mutual reaction may increase purchase intention.

Third, continuous use intention has positive relation with purchase intention. In other words, continuous use intention may increase purchase intention. In other words, SNS users who have continuous use intention are much likely to buy by using SNS.

Fourth, reliability has positive relation with purchase intention. In other words, reliability increases purchase intention. Social marketers shall consider reliability to increase purchase intention of SNS users in their twenties.

Therefore, enterprises shall develop bi-directional communication to make use of SNS as marketing means for the ones in their twenties. And, enterprises shall give services considering all of characteristics of SNS to raise reliability and to connect purchase intention.

The findings were: Not only mutual reaction but also accessibility of the ones in their twenties has positive influence upon continuous use intention, and continuous use intention had positive influence upon purchase intention. And, all of SNS characteristics had positive influence upon reliability, and reliability also had positive influence upon purchase intention. Not only enterprises but also businesses that made use of SNS as marketing means for the ones in their twenties should consider SNS characteristics.

The study had some of limitations: First, the study had limitation on generalization. In other words, the subject was the ones in their twenties who mostly were 24 to 28 years old students. Second, not only PC but also smart phone that was means of SNS had no difference of influence. Third, the study did not reflect preference and characteristics of marketing depending upon SNS type. Further studies were needed to investigate purchase intention and to be useful for SNS marketing.

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