Antecedents of Acceptance of Social Networking Sites in Retail Franchise and Restaurant Businesses

Jung Wan Lee*, Michael Kwag**, Rajasekhara Mouly Potluri***

Abstract

The paper examines the antecedents of acceptance of social networking sites in retail franchise and restaurant businesses. The success of retail franchise and restaurant business operators via social networking sites depends not only on organizational benefits but also on their behavioral intentions of using it. Three hundred and twenty four samples collected from South Korean retail franchise and restaurant employees are analyzed using factor analysis, structural equation model techniques and one-way analysis of variance. The results of the study identify the three constructs of organizational benefits, perceived tangible assets and perceived intangible assets as for important antecedents to accept social networking sites for their business use. Moreover, higher position employees tend to have more favorable perception of tangible assets and acceptance of social networking sites for their business use.

Keywords: Retail franchise, Restaurant business, Social networking sites, Tangible assets, Intangible assets, Marketing promotion.

JEL Classification Codes: M10, M15, M30, M31.

* First author, Assistant Professor, Administrative Sciences Department, Metropolitan College, Boston University
[808 Commonwealth Avenue, Boston, MA 02215 USA]
Tel: (+1 617) 358-5627   Fax: (+1 617) 353-6840
E-mail: jwlee119@bu.edu

** Professor, School of Hospitality Administration, Boston University
[928 Commonwealth Avenue, Boston, MA 02215 USA]
Tel: (+1 617) 353-0933   Fax: (+1 617) 353-6328
E-mail: mkwag@bu.edu

*** Corresponding author, Professor, Department of Management Studies, Nimra Institute of Science & Technology [Nimra Nagar, Jupudi, Ibrahimpatnam - 521 456, Andhra Pradesh, INDIA]
Tel: (+91 866) 288-2911   Fax: (+91 866) 288-1852
E-mail: prmouly@yahoo.co.in

1. Introduction

The Internet is developing in a fast speed globally because of its increased availability, usability and its ability to transfer information, products and services. This trend provides more spaces for the growth of electronic commerce (e-commerce), especially online retailing services. Online retailing is a form of e-commerce that allows consumers to purchase products and services directly either from a retailer through e-commerce websites or social networking sites. The retail franchise and restaurant social networking site defines as a community that provides any combination of consulting, promoting, sharing and providing retail franchise and restaurant information via social networking sites. Actually social networking sites have become an indispensable new shopping channel connecting customers and majority of online retailing and restaurant websites. Nowadays, not only can consumers find a product of interest by visiting the website of retailers and restaurants directly, but also they can find it by searching among alternative vendors using social networking sites. Therefore, a relatively new topic about how and why retail franchise and restaurant business operators intend to use social networking sites in promoting and sharing retail franchise and restaurant information has grown to be a dominant theme today.

Despite many studies of e-commerce and online retailing (e.g., Hernández, Jiménez, & Martín, 2010; Papatla, 2011), there are few analyses regarding both the effects of social networking sites on retail franchise and restaurant businesses and organizational intention to use social networking sites. This paper will discuss these critical issues related to retail franchise and restaurant business operators' organizational intention to use social networking sites.

2. Literature Review

2.1. Tangible Assets of Retail Franchise and Restaurant Social Networking Sites

In traditional environments, consumers who observe service providers' facilities, employees and equipment typically generate physical appearance, that is, tangible assets. Consumers evaluate this appearance separately from other service quality dimensions. A lot of research has been dedicated to the study

of the physical environment's influence on consumers' behaviors (e.g., Bonnin, 2009; Lee & Mendlinger, 2011). These studies have shown that service providers' atmosphere can influence consumers' purchase behaviors, evaluations and decision processes. Researchers have studied service quality and customer satisfaction in physical environments that involve face-to-face interactions between service personnel and consumers for many years, as defined in SERVQUAL (e.g., Parasuraman, Zeithaml, & Berry, 1988). However, tangibles in an online environment grow out of consumer perception with e-commerce provider environment due to the absence of human physical interaction. For example, dimensions such as tangibles are less applicable since the physical appearance of facilities, employees and equipment is unobservable in an online environment.

A retailer's corresponding resource capabilities may enable the retailer to be more efficient to utilize a modern technology compare to its competitors (Varadarajan et al., 2010). Pantano and Naccarato (2010) reported that the presentation of innovative technologies in stores modified the appearance of the point of sales, increased shopping interests by providing exciting entertainment elements and encouraged consumer purchasing behaviors. Gil-Saura, Berenguer-Contrí and Ruiz-Molina (2009) reported that higher levels of technologies that are more advanced are better than lower levels of technologies in terms of consumer satisfaction. Online marketers exercise considerable latitude in designing their website interface and other online offerings that enable consumers to engage in search and exchange activities (Montoya-Weiss, Voss, & Grewal, 2003). In this regard, they recommend that retailers should continuously invest in Internet technologies, especially those that display a significant effect on customer satisfaction such as payment facilities and website design.

A factor that is visible to consumers can affect the service experience. This is the environment in which the service is delivered and where firms and consumers interact. It can directly be influential in initiating the service experience, enhancing the perceptions of service benefits, and promoting user behavioral intentions (Bonnin, 2009; Lee, Brahmasrene, & Kim, 2009). There is a steady stream of research on the influence of tangible assets like physical environment on the service experience in the retailing literature (e.g., Chebat & Robicheaux, 2001; Hoffman & Turley, 2002; Turley & Milliman, 2000). However, only a few attempts to investigate the impact of physical environment (tangible assets) of Internet websites such as social networking sites on the service experience (e.g., Bonnin, 2009; Lee, Brahmasrene, & Kim, 2009). The empirical research has shown that the physical environment cues can affect consumer internal states and their purchase related behaviors.

Tangible assets of retail franchise and restaurant social networking sites affect its service evaluation by customers and their future behavior of using the social networking sites. Comparing with the definition of tangible assets of traditional shopping place, the tangible assets of social networking sites means website design including the external surrounding and conditions in which something visual. The examples of tangible assets are use of modern equipment and technology, visual appealing of websites and professional appearance of service personnel for the social networking sites. In this sense, in order to draw large number of customers' attention, social networking websites make efforts on website design, online offerings and new technology etc. In summary, the following hypotheses are generated for verification based on the discussion raised above:

Hypothesis 1: Organizational benefits are positively associated with the perceived value of tangible assets of social networking sites.

Hypothesis 2: Tangible assets have a positive effect on organizations' acceptance of social networking sites.

2.2. Intangible Assets of Retail Franchise and Restaurant Social Networking Sites

The SERVQUAL study suggests that reliability and competence are key dimensions of which services are evaluated for quality (Parasuraman, Zeithaml, & Berry, 1988). Online service providers will potentially be able to provide more timely trades and feedback. Rapid execution and feedback provide consumers with instant gratification, which is a key component of utility derived from Internet websites and social networking sites (Bonnin, 2009; Lee, Brahmasrene, & Kim, 2009). The act of observing the social networking site's execution of transactions and the ability to communicate instantly to make decisions can lead to consumers' engagement and satisfaction. It can directly be influential in initiating the service experience, enhancing the perceptions of service benefits and promoting user behavioral intentions (Bonnin, 2009; Lee, Brahmasrene, & Kim, 2009).

Shopping relevance and production quality, regarded as another part of intangible assets of online retailers, have significant influence on customers'purchasing behavior. Baier and Stüber (2010) reported that shopping relevance and production quality had an influence on consumer acceptance of online purchasing. Oestreicher and Sundararajan (2012) reported that on average the explicit visibility of a co-purchase relationship could cause up to an average three times amplification of the influence that complementary products have on the demand levels. O'Cass and Fenech (2003) reported that online shopping customer behavior would be influenced differently by web shopping compatibility, perceived web security, satisfaction with websites and shopping orientation. They suggest that online retailers should focus on the opinion leadership trait, web shopping compatibility and satisfaction to certify complete perceptions of usefulness of online retailing. Griffis, Rao, Goldsby and Niranjan (2012) reported that the returns management process in online retailing could positively affect repurchase behavior. Hence, retailers should put certain customers in the prioritizing position in the returns process.

More and more studies proved the influence of intangible assets to consumer behavior in the retail sector (e.g., Baier & Stüber, 2010; Griffis et al., 2012). There are growing interests in understanding how word-of-mouth on the Internet is generated and how it influences consumer purchase decisions at the online retailing environment. Through researching the movie industry, Duan, Gu and Whinston (2008) reported that

word-of-mouth was significantly impact both box offices' revenue and volume, which consequently caused higher box office sales and created better retail profit. A unique aspect of the word-of-mouth effect is the presence of a positive feedback mechanism between word-of-mouth and retail sales. Ahn, Ryu and Han (2007) reported that playfulness was very important in improving users'opinions and behaviors to explore a website. Additionally, they reported that web quality and information and service quality played an important role on the perceived playfulness in web-based online retailing. Laroche (2010) reported that privacy concerns, trust and attitudes toward a retail company's website played an important role on the perceived value in web-based online retailing.

The intangible assets of social networking sites mostly refer to perceived service quality, such as prompt service, positive feedback mechanism, reputation, word-of-mouth, trust, security and privacy etc. Thus, the current study assumes that organizational benefits are positively associated with the perceived value of intangible assets, and thus the perceived intangible assets have a positive effect on organizations' acceptance of social networking sites. In summary, the following hypotheses are generated for verification based on the discussion raised above:

Hypothesis 3: Organizational benefits are positively associated with the perceived value of intangible assets of social networking sites.

Hypothesis 4: Intangible assets have a positive effect on organizations'acceptance of social networking sites.

Hypothesis 5: Organizational benefits have a positive effect on organizations' acceptance of social networking sites.

3. Research Method

3.1. Survey and Sample Characteristics

An initial structured questionnaire was developed based on a study of existing literature (e.g., Bonnin, 2009; Lee, Brahmasrene, & Kim, 2009; Parasuraman, Zeithaml, & Berry, 1988) and the model's hypotheses with 13participants of focus group interviews. The initial questionnaire included 23 items related to various constructs discussed in this study and 6 items that capture information of respondent demographics such as gender, age, retail franchise and restaurant location, job position title, work experience in the retail franchise and restaurant industry, and experience of using social networking sites. To measure employees'perceptions and their behavioral intention in acceptance of social networking sites, a seven-point Likert type scale is used in this study. Hence, the response options in this research are ranging from (1) strongly disagree, and (4) neutral, to (7) strongly agree, see Appendix.

A web-based survey was conducted with the Korea Franchise Association. The questionnaire was electronically mailed to 1000 recipients from an email list of the Korea Franchise Association (253 member franchises are registered to the Association as of December 31, 2011). Of 484 filled in questionnaires in the web-based survey, 160 cases were removed from the dataset because they have missing data or outliers. The final sample size was 324 cases that have no missing data and they were used for following analyses. Table 1 presents descriptive statistics of survey and sample characteristics.

<Table 1> Survey and Sample Characteristics

Characteristics	Classifications	Frequency*	Percent
Gender	Male	172	53.2
	Female	152	46.8
Retail franchise and restaurant location	Seoul	264	81.6
	Busan	25	7.7
	Kwangju	17	5.1
	Daejeon	1	0.5
	Jeju island	17	5.1
Position titles	Staff, low level	49	15.1
	Associate, middle level	136	42.1
	Manager	120	36.9
	Director	19	5.9
Age group	Under 30 years old	103	31.8
	31 – 40 years old	163	50.3
	41 – 50 years old	56	17.4
	over 51 years old	2	0.5
Work experience in the retail franchise and restaurant business	Under 5 years	159	49.2
	6 – 10 years	82	25.2
	11 – 15 years	60	18.5
	More than 16 years	23	7.1
Experience using social networking sites	Yes	324	100.0
	No	0	0.0

* Sample size = 324

3.2. Factor Analysis and Internal Consistency Reliability Test

Evidence of the effectiveness of a scale for its purpose is examined. Construct validity embraces a variety of techniques for assessing the degree to which an instrument measures the concept that it is designed to measure. In order to ensure the construct validity of the measurement instrument, factor analysis was employed in a two-stage process. First, exploratory factor analysis with a varimax rotation procedure was employed to identify underlying predictors based on an eigenvalue cut-off of one. Second, confirmatory factor analysis using structural equation modeling techniques was employed to confirm that the identified predictors are fitted the items correctly and reliably.

To identify underlying predictors of acceptance of social networking sites, factor analysis with a varimax rotation procedure was employed. The component factor analysis was used to uncover the underlying structure of a large set of items and identified four components: component one with five items (eigenvalue = 3.815), component two with five items (eigenvalue = 3.447), component three with four items (eigenvalue = 3.197), and component four with four items (eigenvalue = 2.255). This resulted in the retention of 18 items, which represented the four components. Afterward, the four components were used for following analyses. To test the appropriateness of the factor analysis, the two measures - the Kaiser-Meyer-Olkin and the Bartlett's test - were used. The Kaiser-Meyer-Olkin overall measure of sampling adequacy of 0.881 falls within the acceptable significant level at $p < 0.01$. The Bartlett's test of sphericity of 3804.820 at 153 degree of freedom shows a highly significant correlation among the survey items at $p < 0.01$. The sums of squared loadings from the four components have the cumulative value of 70.629 percent in explaining the total variance of the data. The results of exploratory factor analysis using principal component analysis extraction method are reported in Table 2.

Internal consistency reliability is a measure of how well a test addresses different constructs and delivers reliable scores. For example, in a series of questions that ask the subjects to rate their response between one and seven, Cronbach's alpha gives a score between zero and one, with 0.7 and above being reliable. The test also takes into account both the size of the sample and the number of potential responses. The Cronbach's alpha test is preferred in this study due to the benefit of averaging the correlation between every possible combination of split halves and allowing multi-level responses. For example, the survey items are divided into the four constructs. The internal consistency reliability test provides a measure so that each of these particular constructs is measured correctly and reliably. The results of internal consistency reliability tests for the four constructs of acceptance of social networking sites are reported as follow: tangible assets (4 items, $\alpha = 0.776$), intangible assets (5 items, $\alpha = 0.899$), organizational benefits (5 items, $\alpha = 0.882$), and acceptance of social networking sites (4 items, $\alpha = 0.892$). The detailed results of internal consistency reliability tests, including item-total correlation coefficient values, are reported in Table 2.

In addition, confirmatory factor analysis using structural equation modeling techniques was employed to confirm that the identified predictors are fitted the items correctly and reliably. The results of confirmatory factor analysis indicated that a single factor solution fitted the items acceptably and the corrected item-total correlation value of each item to the construct is presented in Table 2.

<Table 2> Results of Factor Analysis for Survey Question Items

Item Code	Factor Loadings	Eigenvalue	Extracted Variance	Construct Name	Item-total Correlation	Cronbach α
X101	0.613	2.255	12.526%	Tangible assets	0.583	0.776
X102	0.665				0.612	
X103	0.701				0.529	
X104	0.763				0.616	
X105	0.787	3.815	21.194%	Intangible assets	0.726	0.889
X106	0.735				0.746	
X107	0.840				0.760	
X108	0.847				0.770	
X109	0.834				0.764	
X110	0.770	3.447	19.149%	Organizational benefits	0.743	0.882
X111	0.767				0.704	
X112	0.839				0.742	
X113	0.723				0.712	
X114	0.695				0.673	
Y201	0.731	3.197	17.760%	Acceptance of social networking sites	0.623	0.892
Y202	0.866				0.844	
Y203	0.876				0.863	
Y204	0.756				0.734	

<Table 3> Structural Equation Model Estimates

Independent Variable	Path	Dependent Variable	Regression Estimates	Standardized Effects		
				Total	Direct	Indirect
H1: Organizational benefits	→	Tangible assets	0.734***	0.734	0.734	
H2: Tangible assets	→	Acceptance of social networking sites	0.145	0.145	0.145	
H3: Organizational benefits	→	Intangible assets	0.461***	0.461	0.461	
H4: Intangible assets	→	Acceptance of social networking sites	0.191***	0.191	0.191	
H5: Organizational benefits	→	Acceptance of social networking sites	0.358***	0.553	0.358	0.184

Note: Numbers in the cells are standardized coefficient values.
      Probability values for rejection of the null hypothesis of zero coefficient are employed at the 0.05 level (*** p < 0.01).

4. Results

4.1. Structural Equation Model Estimates and Path Diagram

The analysis of moment structures was used for an empirical test of the structural model. The maximum likelihood estimation was applied to estimate numerical values for the components in the model. In the process of identifying the best fit model, multiple models were analyzed because the researchers were testing competing theoretical models. From a predictive perspective, we determine which model fits the data best, but sometimes the differences between the models appear small on the basis of the fit indexes. When comparing non-nested models, the Akaike information criterion fit index is used as our first choice because the difference in the Chi-square values among the models cannot be interpreted as a test statistic (Kline, 2005), the root mean square of approximation fit index as our second choice, and then the goodness of fit index as our third choice.

The results of the analysis of moment structures generally achieve acceptable goodness-of-fit measures, see Table 3. For example, the index of the goodness of fit index (= 0.929) indicates that the fit of the proposed model is about 93% of the saturated model (the perfectly fitting model). The index of the normed fit index (= 0.941) indicates that the fit of the proposed model is about 94%. Table 3 displays the estimates of acceptance of social networking sites using the structural equation model. The other goodness-of-fit measures are as follow:

Model fit summary: the minimum value of the sample discrepancy, CMIN (=639.241), degree of freedom, DF (= 131), CMIN/DF (= 4.880).

Model fit measures: the goodness of fit index, GFI (= 0.929), the adjusted goodness of fit index, AGFI (= 0.917), the parsimony goodness of fit index, PGFI (= 0.897), the root mean square residual, RMR (= 0.036), the root mean square of approximation, RMSEA (= 0.025).

Baseline comparisons measures: the Bentler-Bonett normed fit index, NFI (= 0.941), the Bollen's relative fit index, RFI (= 0.925), the Tucker-Lewis coefficient index, TLI (= 0.947), the comparative fit index, CFI (= 0.969).

Parsimony-adjusted measures: the parsimony ratio, PRATIO

(= 0.916), the parsimony normed fit index, PNFI (= 0.828), the parsimony comparative fit index, PCFI (= 0.844).

The estimate of the non-centrality parameter, NCP (= 508.241), the Akaike information criterion, AIC (= 719.241), the Browne-Cudeck criterion, BCC (= 724.241) and the Bayes information criterion, BIC (=870.472).

In testing hypothesis 1 that there is relationship between organizational benefits and tangible assets, Table 3 shows that there is a positive relationship between perceived organizational benefits and perceived tangible assets, which shows statistically significant at a 95% confidence level (p < 0.01). This suggests that perceived organizational benefits have a positive and direct effect on the perceived value of tangible assets of social networking sites. The hypothesis 2 tests a relationship between tangible assets and acceptance of social networking sites. Table 3 shows that there is a positive relationship between perceived tangible assets and acceptance of social networking sites, but is insignificant (p > 0.05). This suggests that perceived organizational benefits have a positive effect on the perceived value of tangible assets of social networking sites, but does not directly affect organizations' acceptance of social networking sites.

In testing hypothesis 3 that there is relationship between organizational benefits and intangible assets, Table 3 shows that there is a positive relationship between perceived organizational benefits and perceived intangible assets, which shows statistically significant at a 95% confidence level (p < 0.01). The hypothesis 4 tests a relationship between intangible assets and acceptance of social networking sites. Table 3 shows that there is a positive relationship between perceived intangible assets and acceptance of social networking sites, and is statistically significant at a 95% confidence level (p < 0.01). This suggests that perceived organizational benefits have a positive and direct effect on the perceived value of intangible assets and thus the perceived intangible assets have a positive and direct effect on organizations' acceptance of social networking sites.

The hypothesis 5 testing of relationship between perceived organizational benefits and acceptance of social networking sites shows a significant positive relationship at a 95% confidence level (p < 0.01). This means that perceived organizational benefits have a positive propensity towards acceptance of social networking sites in their marketing activity. Overall, perceived or-
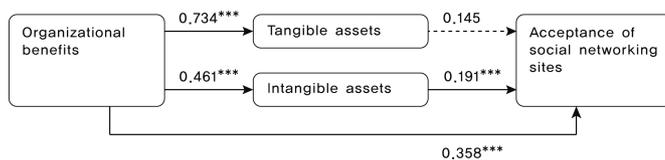
<Table 4> One-way Analysis of Variance by Job Position Titles

Variables	Staff	Associate	Manager	Director	F-statistic
Organizational benefits	0.004	-0.128	0.023	0.198	0.817
Tangible assets	-0.086	-0.190	0.077	0.411	3.211**
Intangible assets	-0.120	-0.063	0.113	0.231	2.289
Acceptance of social networking sites	-0.086	-0.117	0.033	0.606	3.716**

Note: Numbers in the cells are standardized mean values.
        Probability values for rejection of the null hypothesis of no mean difference are employed at the 0.05 level (** $p < 0.05$).

ganizational benefits and perceived intangible assets of social networking sites serve as important antecedents of acceptance of social networking sites. Figure 1 displays a path diagram of acceptance of social networking sites.

Note: Coefficient is statistically significant at a 95% confidence level
        (*** $p < 0.01$).

<Figure 1> Path Diagram of Acceptance of Social Networking Sites

4.2. Demographic Differences in Acceptance of Social Networking Sites

One-way analysis of variance was conducted to compare means of the four constructs by job position titles. Table 4 reveals statistically significant mean differences between job position titles in their perception of tangible assets and acceptance of social networking sites ($p < 0.05$), whereas it shows insignificant mean differences ($p > 0.05$) in terms of their perception of organizational benefits and intangible assets. Further, the result shows that retail and restaurant employees with higher position titles have a positive propensity in perceiving highly tangible assets and their acceptance of social networking sites.

5. Discussion and Conclusion

The results from an empirical analysis support most of the hypotheses. First conclusion from current study indicates that the organizational benefits have significant influence on the perceived value of tangible assets and intangible assets of social networking sites. In reality, social networking sites are rapidly emerging as popular sources of retail franchise and restaurant information especially for teens and young adults. Marketing activities via social networking sites carry out the advantages of low cost, rapid transmission through a wide community, increasing opportunities of customer involved marketing communication

and customer interaction. For example, online customer service or the hot lines of social networking sites are major tools for retail franchise and restaurant social networking site operators to collect customer expectations. Retail franchise and restaurant business operators should recognize the importance of social networking sites and their potential usefulness for disseminating retail franchise and restaurant information. Much more needs to be known and shared about how best to use social networking sites to achieve marketing promotion outcomes.

Second, the current study shows that organizational benefits and the perceived value of intangible assets should be viewed as important antecedents explaining behavioral intentions to use social networking sites. Nowadays, the major part of intangible assets of social networking sites, such as trust, privacy of personal information and internet information security, play an important role when consumers choose social networking sites. Accordingly, consumers would choose social networking sites as a tool for gathering information for retail franchise and restaurant information only if they trust the information provider. In addition, consumers should rest assured that they receive full information in a safe and timely manner that complies with current practice guidelines. A lot of people use Facebook.com and Yelp.com, which are the largest social networking sites because of the efficiency and trust of the information sharing. So it is understandable that intangible assets of social networking sites have a significant impact on the customer behavioral intention.

Further, the result shows that employees with higher position titles have a positive propensity in perceiving highly the value of tangible assets of social networking sites and their behavioral intention to accept social networking sites. They usually pursue higher quality of personal life with high efficiency and quality of information collecting and sharing. People with higher position title have such a tendency to catch up with the updated wave of technology. As a result, they have higher request of modern technology using tangible assets of social networking sites when accepting social networking sites.

The finding of this research shows that the success of retail franchise and restaurant business operators via social networking sites depends not only on the perceived value of organizational benefits and intangible assets but also on their behavioral intention of accepting social networking sites. However, future research to generalize these findings is required to determine whether there is a consistent pattern.

References

Ahn, T., Ryu, S., & Han, I. (2007). The impact of web quality and playfulness on user acceptance of online retailing. *Information & Management*, 44, 263-275.

Baier, D., & Stüber, E. (2010). Acceptance of recommendations to buy in online retailing. *Journal of Retailing and Consumer Services*, 17, 173-180.

Bonnin, G. (2009). Physical environment and service experience: an appropriation-based model. *Journal of Services Research*, 6(S1), S45-S65.

Chebat, J. C., & Robicheaux, R. (2001). The interplay of emotions and cognitions of consumers in the retail environment. *Journal of Business Research*, 54(2), 87-88.

Duan, W. J., Gu, B., & Whinston, A. B. (2008). The dynamics of online word-of-mouth and product sales: an empirical investigation of the movie industry. *Journal of Retailing*, 84(2), 233-242.

Gil-Saura, I., Berenguer-Contrí, G., & Ruiz-Molina, M. E. (2009). Information and communication technology in retailing: a cross-industry comparison. *Journal of Retailing and Consumer Services*, 16, 232-238.

Griffis, S. E., Rao, S., Goldsby, T. J., & Niranjan, T. T. (2012). The customer consequences of returns in online retailing: an empirical analysis. *Journal of Operations Management*, 30, 282-294.

Hernández, B., Jiménez, J., & Martín, M. J. (2010). Customer behavior in electronic commerce: the moderating effect of e-purchasing experience. *Journal of Business Research*, 63, 964-971.

Hoffman, K. D., & Turley, L. W. (2002). Atmospherics, service encounters, and consumer decision making: an integrative perspective. *Journal of Marketing Theory and Practice*, 49(2), 33-47.

Kline, R. B. (2005). *Principles and practices of structural equation modeling* (2nd ed.). New York: Guilford Press.

Laroche, M. (2010). New developments in modeling Internet consumer behavior: introduction to the special issue. *Journal of Business Research*, 63, 915-918.

Lee, J. W., & Mendlinger, S. (2011). Empirical investigation of the relationship between the operational competence of service providers and the use and adoption of mobile commerce. *Journal of Distribution Science*, 9(2), 5-12.

Lee, J. W., Brahmasrene, T., & Kim, Y. E. (2009). Influence of e-commerce provider environments on user perceived benefits and adoption of e-commerce. *Korea Research Academy of Distribution Management Review*, 12(5), 173-195.

Montoya-Weiss, M. M., Voss, G. B., & Grewal, D. (2003). Determinants of online channel use and overall satisfaction with a relational, multichannel service provider. *Journal of the Academy of Marketing Science*, 31(4), 448-458.

O'Cass, A., & Fenech, T. (2003). Web-retailing adoption: exploring the nature of Internet users web retailing behaviour. *Journal of Retailing and Consumer Services*, 10, 81-94.

Oestreicher, G. S., & Sundararajan, A. (2012). The visible hand? demand effects of recommendation networks in electronic markets. *Management Science*, 58(11), 1963-1981.

Pantano, E., & Naccarato, G. (2010). Entertainment in retailing: the influences of advanced technologies. *Journal of Retailing and Consumer Services*, 17, 200-204.

Papatla, P. (2011). Do online shopping styles affect preferred site assets? an empirical investigation and retailing implications. *Journal of Retailing and Consumer Services*, 18, 362-369.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.

Turley, L. W., & Milliman, R. E. (2000). Atmospheric effects on shopping behavior: a review of the experimental evidence. *Journal of Business Research*, 49(2), 193-211.

Varadarajan, R., Srinivasan, R., Vadakkepatt, G. C., Yadav, M. S., Pavlou, P. A., Krishnamurthy, S., & Krause, T. (2010). Interactive technologies and retailing strategy: a review, conceptual framework and future research directions. *Journal of Interactive Marketing*, 24, 96-110.

APPENDIX

Survey Questions (Sample size = 324) (7-point scale ranging from 'Strongly Disagree=1' to 'Strongly Agree =7')	Mean(St. Dev.)
Tangible assets X101. Social networking sites would use modern looking equipment and technology. X102. The physical looks of social networking sites would be visually appealing. X103. The materials of social networking sites such as pamphlets and documentations would be visually appealing. X104. The staff of online customer services would answer every question using a polite and professional way.	4.830(1.134) 5.127(1.149) 4.466(1.083) 4.915(1.087)
Intangible assets X105. The staff of online customer services would provide services at the time they promise to do so. X106. The staff of online customer services would give prompt services to customers. X107. The staff of the social networking sites would give customers individual attention by performing their jobs and services correctly. X108. The staff of the social networking sites would give customers personal attention by showing a sincere interest in solving their problems. X109. The staff of the social networking sites would understand specific needs of their customers.	4.604(1.113) 4.914(1.125) 4.341(1.108) 4.345(1.117) 4.415(1.126)
Organizational benefits X110. I feel that our customers would recommend us to use social networking sites. X111. Using social networking sites would help our business communication effectiveness. X112. If using social networking sites, it would help to enhance our company reputation. X113. If using social networking sites, customers would think our company is very advanced and open. X114. My work tasks require using social networking sites for up to date business communication.	5.430(1.143) 5.308(1.145) 5.225(1.119) 5.006(0.729) 5.216(1.125)
Acceptance of social networking sites: Y201. I feel that using social networking sites enhanced my ability in accomplishing work tasks. Y202. I feel that our company increased work productivity due to using social networking sites. Y203. If asked, I would likely recommend social networking sites as an ideal business communication channel. Y204. I would recommend our business partners use social networking sites.	5.401(1.064) 5.416(0.853) 5.466(1.009) 5.232(1.064)