

Social commerce and business success of selected deposit money banks in River State.

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ABSTRACT

The objective of this study is to empirically investigate the impact of social commerce on business success of deposit money banks in river state. The study adopted a survey research design with a sample of 50 staffs from the 10 selected registered deposit money banks. The questionnaire was used as instrument for data collection and data analysed using Spearman Rank correlation coefficient with the aid of SPSS. Finding shows that personalization significantly and strongly relates with sales volume and profit. Based on the finding, conclusion was drawn that social commerce significantly and strongly relates with business success of deposit money banks in Rivers State. The study recommends that personalisation strategies should be adopted by deposit money banks in order to make customers feel the sense of belonging which leads to increased sales and profit.

Keywords: Personalisation, face book users, business success, sales volume, profit

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I. INTRODUCTION

The increasing popularity of social media application, such as blogs, forum and interactive sites such as Facebook, twitter, WhatsApp, Instagram etc has created opportunities for developing modern business models in electronic business transactions (Tredinnick, 2006).

Wang and Zhang (2012), observed that since the term social commerce was coined in 2005, it has been greatly driven by practise rather than by research. This view is evidence in rapid use of electronic device by various firms in Nigeria including the deposit money banks. Also, the paper observed that banks nowadays use social networking sites like Facebook and twitter to create continuous relationship with their customers. For example, united bank for Africa (UBA), fidelity, first bank of Nigeria, diamond bank, etc have their brand Facebook pages which serve as a forum for producer-to-consumer discussion.

Moreover, Anderson et al (2011) noted that social commerce has gained a lot of attention for shaping emerging commercial activities online even as e-retailers are taking advantage of social technologies and service to expand their businesses. They added that since social media have become easily accessible, lots of consumers use it as a means to gather information about companies, brands, goods, and services. These also shows that consumers may decide to visit firm's fan pages just to get vital information that may contribute to their decision making processes. Most often, consumers use this fan pages as a community for interaction or between friends. Moreover, some of the researchers of similar subject matter placed emphasis on the concept of social commerce

from users' or consumers' perspective (zhou et al 2013). In support of this view, sun (2011), noted that some of the e-commerce companies attempting to adopt social commerce are still struggling to understand how to use social media and social networking services effectively in reaching their users in the global market. However, this paper seeks to empirically examine the relationship between social commerce and business success of deposit money banks in river state.

II. RESEARCH PROBLEM

There is evidence of rapid use of electronic device by various firms in Nigeria which is driven by practice rather than by research (Wong and Chang 2012). Social Commerce; one of the products of electronic device is believed to possess qualities that could result to transformation of internet business transaction but Diao and Yang (2016) noted that despite the contribution of social commerce, many argue that its power to transform e-commerce from product-centered environment to user-centered environment is still doubtful. It is in the light of this that the argument arises as to whether social commerce has any influence on business success. This study was therefore born based on the foregoing study gaps.

Aims of the study

The aim of this study is to empirical investigate the impact of social commerce on business success of deposit money banks in river state.

Contribution of the study****

Theoretical foundations

Strategic alignment model (SAM) : Strategic alignment model (SAM) developed by Henderson and venkatraman (1993), has been in existence before the arrival of social commerce and could be expanded to show the potential research issues from an organisation's perspective. SAM holds that challenges of not gaining value from information technology (IT) investments is as a result of the lack of fit between the business and IT strategies of organisations.

One of the fundamental assumptions of strategies alignment is that economic performances is directly related to the capacity of management to create a strategies fir between the position of an organisation in the competitive business environment, information technology market place and ability to bring up of an appropriate administrative infrastructure.

Study Variables and Conceptual Framework

The conceptual framework of this study is made up of the independent variable which is social commerce with the dimension as personalization. The dependent variable for this study is business success with measures as sales volume and profit.

Functional relationships: this study re-iterates its objectives to establish functional relationship between the measures of both predictor and criterion variables. For the purpose of the study, we developed a model specification to aid in the functional relationship as follow:

$$BS = f(SC)$$

$$SC = (SMA)_{xx}$$

$$BS = (SV, P)$$

Where:
 BS= Business Success
 SC= Social Commerce
 PERS= Personalisation
 SV= Sales Volume
 P= Profit

Social commerce: the use of internet platform as a medium to disseminate information to consumers.

Personalisation: this entails providing personal services to customers in order to build more cordial relationships with them.

Business success: a measure of the achievements of a firm's objectives over a period of time.

Sales volume: percentage or number of actual sales of a firm.

Profit: amount or percentage of income over expenditure of a firm in period of time.

Conceptual and operational framework

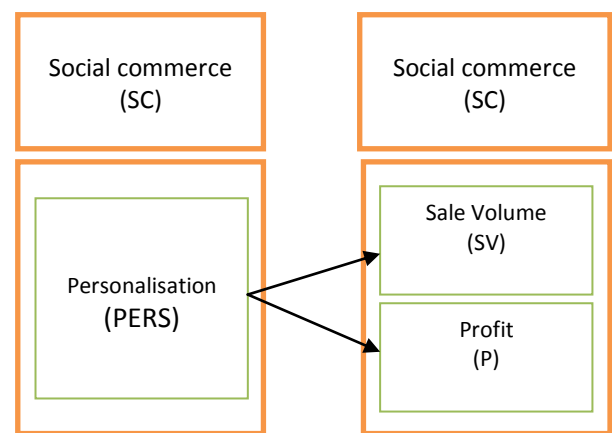


Fig 1: conceptual and operational framework on social commerce and business success of deposit money banks in rivers state.

Source: desk research, 2016

To achieve the study objectives, the under listed null hypotheses were tested and analysed:

HO₁: there is no significant relationship between personalization and sales volume of deposit money banks in river state.

HO₂: there is no significant relationship between personalization and profit of deposit money banks in rivers state.

III. LITERATURE REVIEW

Social Commerce

Social commerce is a form of business transaction that is mediated by social media involving coming together of the online and offline environments (Wang and Zhang 2012). Kim and Srivastava (2007), defined social commerce as activities that involves making use of web-based social communities by e-commerce companies, with the aim of shaping the interaction among consumers.

Also, Yu, Xia, Liu, and Liu (2012) viewed and defined social commerce as a mixture of social media and electronic business which is made up of social interactions, sharing of online products and advise via an online community. These definitions reveal that social commerce combines the use of interactive sites to build a community where ideas are shared and consumers are given opportunity to express themselves.

Social commerce has suddenly emerged as a modern arena of inquiry for both practitioner and researches, suggesting the potential contribute of social media, social networking technologies and service which has shaped the commercial channels on and off the internet (Zhou, 2013).

Personalization

This entails providing personal services to customers in order to build more cordial relationships with them. Kimberlee (2015), noted that personalisation is one way to make customers feel special about themselves as firms may not be able to reach all the customers at the same times. He added that personalisation strategy is a good alternative to broad campaign as it provides a tailored experience for each individual customer.

Business success

Business success has been identified as Measure Company's achievement over a period of time. Brain (2016), noted that business success is a key motivating factor to entrepreneurs for tremendous hard work and risk taking. He added that business success can be evaluated in different dimensions as personal, social, longevity, customer satisfaction, employee satisfaction and financial rewards.

Further, wood (2006), stated that business success is a good measure of organisation performance and its indices include profit, return on investment, turnover of number of customers.

Sales volume

Sales volume is the unit of actual sales of organisation in a period of time which could also be

expressed in percentage. Marquis (2016), noted that sales volume is the quantity of items sold in a given period which is same with total revenue made by a firm in a fiscal year.

Profit

Profit is measure of firm's financial performance, it is the excess of revenue over expenditure. Every business firm is conscious of their profit level as it tells whether the firm is doing well or not. Profit is a part of the determinant for firm's sustainability as every business organisation holds profit as part of their corporate objective.

Social commerce and business success

Among the new business models, social commerce makes it possible for customers to participate in the marketing activity and selling of product online, by making the market place a community (Stephen and Tobias, 2009).

Diao, Youshi and Yaan (2016) noted that more and more firms, such as Amazon.com, Taobao.com are typical example of companies that has taken advantage of social commerce to enhance user's participation as a way of adding value to commercial services. Also, Leitner and Grechenig (2009) noted that social commerce can increase customers' collaboration online, exchange information aboutn products and services, and get advice from trusted individuals to enable them make more informed and accurate purchase decisions.

It follows that social commerce platform makes it possible for customers to received personal or personalised services including personal advice that enable them make wise purchases. When consumers ask questions online, the answers are mostly sent to their personal online account which encourages them to make cost effective product inquiries since these can be even on bed or while sitting on their office desk (at their leisure).

Moreover, the use of social technologies enhances and defines the shopping experience by forging relationships and influencing buying behaviour and improvement of sales volume since shoppers do not arrive at a site alone but bring their entire friends (Marsden, 2010).

Furthermore, the result from crain's Chicago Business (2012), holds that when social commerce is properly conducted, businesses can disseminate information about their goods and services and grow through viral exposure. The report also shows that social commerce enables new business firms to go gain popularity quick and at case. Diao et al (2016), observed that social commerce creates a social climate on the internet that enables users real-time participation, information sharing and problem solving.

As a matter of fact, solving consumers' purchase problems gives them the confidence to repeat purchase, invite others and these leads to improved sales and profits. In support of this view, Adije and Noble (2010), stated that research reports has shown that online communities in

form of social interactions that include the consumer-related activities and the firm-related activities enables opinion leaders to successfully influence consumer sentiment towards enhancing purchase intention and thereby increasing sales.

Based on this, we generate the following set of hypotheses:

H₀₁: there is no significant relationship between personalization and sales volume of deposit money banks in rivers state.

H₀₂: there is no significant relationship between personalization and sales volume of deposit money banks in river state.

IV. RESEARCH METHODOLOGY

The study adopted a survey design and the target population consists of staff of 10 selected deposit money banks in river state. 5 copies of questionnaire were given to each of the selected deposit money bank and after data cleaning 47 copies were found valid and useful for analysis carried out using spearman rank correlation coefficient with the aid of SPSS.

Table 1: Number of deposit money banks and staff of specific branches of the banks in Port Harcourt visited by the researcher.

S/N	Deposit Money Banks	Number of Staffs Sampled
1.	Access Bank Rumuokoro	5
2.	United Bank For Africa Trans Amadi	5
3.	Diamond Bank Rumulwurushi	5
4.	Ecobank Aba Road	5
5.	Fidelity Bank- Olu- Obansanjo	5
6.	First Bank Of Nigeria Trans Amadi	5
7.	Skye Bank- Trans Amadi	5
8.	Guaranty Trust Bank- Azikiwe Road	5
9.	Sterling Bank- Trans Amadi	5
10.	First City Monument Bank Trans Amadi	5
	Total	50

Source: The chartered institution of bankers of Nigeria (CIBN) Retrieved from http://www.cibng.org/cb_bank_dir.asp on 19th November, 2016, with amendments.

V. DATA ANALYSIS AND PRESENTATION

Decision rule: reject null hypothesis if $P < 0.05$
 0.1 and above= positive relationship
 -0.1 and above= negative relationship

Table 2: test of hypothesis 1 and 2

Correlation

		Personalization	Sales volume	profit	
Spearman's rho	Personalization	Correlation coefficient	1	661* *	721* *
		Sig (2-tailed)	47	0	0
		N	661**	47	47
	Sale Volume	Correlation Coefficient	0	1	
		Sig (2-tailed)	47	47	47
		N	721**		1
	Profit	Correlation Coefficient	0		
		Sig (2-tailed)			
		N	47	47	47

** Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Data output, 2016

VI. DISCUSSION OF FINDINGS

Table 2 above shows:

Rho= 0.661 for personalization and sales volume; then 0.721 for personalization and profit

Where P- value = 0.000 ($p < 0.005$)

The result shows that personalization significantly and strongly relates with business success of deposit money banks in rivers state.

VII. RECOMMENDATIONS

- ❖ Deposit money banks in Rivers State should equip their customer data management team for effective customer records.
- ❖ Personalization strategies should be adopted by deposit money banks in order to make customers feel the sense of belonging which leads to increased sales and profit.
- ❖ Deposit money banks should always updates their Facebook fan pages to enhances customers' interaction.
- ❖ Online communities should be built to give customers opportunity to interact, share information and make further inquiries.

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