



Factors Affecting Customer Satisfaction Towards the Social Commerce (S-Commerce) Provided by Facebook; - A Case Study on Features of ‘Payment Gateway’ and ‘Facebook Guarantee’ for Better Customer Satisfaction

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ABSTRACT

Purchases on social commerce (s-commerce) platform provided by Facebook is tremendously increasing in Malaysia, especially after the outbreak of Covid-19 pandemic, which significantly change the purchasing preferences of customers from physically visiting a store to virtually purchasing goods and services. Although s-commerce provide opportunities to homepreneurs and entrepreneurs for developing their business in a platform which connecting people easily, the key question is, how satisfied is the customer for engaging in s-commerce purchasing, which is also contributing to the GDP of Malaysia? Customer satisfaction plays a crucial role for the success of any business. A set of factors affecting customer satisfaction have been identified by previous researchers and authors, in the context of electronic commerce (e-commerce). In this study, the focus would be on s-commerce, based on social support theory, the factors of ‘safety’, ‘security’ and ‘quality’ have been selected to study the significancy of the relationship between customer satisfaction towards the s-commerce of Facebook. Apart from that, add-on of new features namely, ‘payment gateway’ and ‘Facebook guarantee’, which adopted from Shopee, the largest e-commerce platform, been proposed for better customer satisfaction towards s-commerce of Facebook. A survey questionnaire was used to collect the primary data from the sample size of 100 s-commerce of Facebook users from Malaysia in an online basis. Future recommendations have been proposed for increasing the number of samples for expanding the study further.

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1. INTRODUCTION

Social commerce (s-commerce) is basically an integration of e-commerce and social media platform, where with the emergence of website 2.0, social media websites including Facebook, Instagram, TikTok and so on provide a business platform for the people to buy and sell goods and services online in an instant manner, as people are already connected and reaching the customers is easy through s-commerce. Therefore, Shin et al. (2021), refer s-commerce as the social media service which enable customers’ participation in the online sales of goods and services. In this study, s-commerce platform provided by Facebook will be the center of discussion to

determine the relationship between customer satisfaction and the factors that affecting customer satisfaction towards s-commerce of Facebook.

The ASQ (American Society for Quality) defines Customer Satisfaction as 'a measurement that determines how happy customers are with a company's products, services, and capabilities.' The more satisfied the customer, the more will be the sales. Measuring the customer satisfaction through some attributes or factors is one of the common ways that previous researchers and authors identified in the context of e-commerce. As s-commerce of Facebook introduced by Mark Zuckerberg in year 2016, the studies on the factors affecting customer

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satisfaction especially towards the s-commerce of Facebook, is still a new topic to be studied by the current researchers. Therefore, this study is an attempt of identifying the relationship between the customer satisfaction toward s-commerce of Facebook with the selected factors; safety, security and quality. Justification for choosing particularly the mentioned attributes and the definitions of the factors in the context of s-commerce of Facebook, have been discussed in Section 2.

Social media networks like Facebook, Instagram, Tiktok and so on, were initially created with the objective of connecting people socially. However, as customers' purchasing attitude started to change gradually from physically visiting a shop to virtually purchasing goods, these social medias utilize the business opportunity and created social commerce (s-commerce) platform for people and business organizations to engage in online buying and selling activities. Mark Zuckerberg officially launched the Facebook marketplace in year 2016, where users are permitted to buy and sell goods directly through the Facebook, apart from online marketing.

According to Malaysia Social Commerce Market Intelligence Report 2022, the s-commerce industry in Malaysia is expected to grow by 45.2% in year 2022. Therefore, Facebook also gain the attention of homepreneurs and entrepreneurs to expand their business as the number social media users are increasing tremendously, where in year 2019, Malaysia had 25 million active social media users (78% from the total population). Based on the graph below, it can be seen clearly that the number of social media users in Malaysia is increasing each year from year 2016 to 2021. In year 2021, 86% of the total population is connected to social medias and this number contributes to the growth of s-commerce, as it creates a huge business platform for the people to sell and buy online.

2. LITERATURE REVIEW

2.1. Definition of S-commerce

Yu et al. (2020), defined s-commerce as forms of internet based social media which enable people to engage in both marketing and sales of goods and services through online marketplaces and communities. On the other hand, Stephen and Toubia (2010) define s-commerce as a way of social media based on internet that allows people to actively participate in the marketing and selling of products and services in online markets and communities. Looking at both definitions which were developed in 10 years of gap (from 2010 – 2020), it is appropriate to conclude that, s-commerce refers to the social website-based business platform which permit people to engage in sales of products and services, and marketing.

2.2. Definition of Customer satisfaction

Customer satisfaction is an attitude which adopted by customers when their expectations and requirements toward a product or service has been met to a certain extent (Nalini et al., 2020). Oliver (1980) defines customer satisfaction as the after-purchase judgement or evaluation of a product or a service. According to Fornell et al. (1996), customer satisfaction can be used to evaluate and enhance the performance of firms, industries, economic sectors, and national economies as it measures the quality of goods and services as experienced by the customers who consumes them.

2.3. Definition of the three factors adopting to this study

Safety refers to the safe delivery of products to the customers without damages and late deliveries. The second factor, security / trust, refers to the secured online payment transactions. On the other hand, quality refers to the expected and fair quality of the physical product as resemble by the product pictures on the website.

2.4. Justification for selecting the three factors

2.4.1 Security / Trust

Trust is being viewed as a crucial factor in social commerce (Ahmed Samed & Husam Kokash, 2018). Previous studies also have indicated that, in the context of 'online shopping' trust is a crucial antecedent of consumers' acceptance of any information systems (IS) including social commerce and the secured online payment transaction (Kim & Park, 2013; Shi & Chow, 2015; Zhou, 2014a). However, Hajli et al. (2016), has mentioned in his research that there is lack of research been conducted on the role of safety or trust on s-commerce platform, which influence customers' intentions to purchase from online vendors. Therefore, this study has been conducted to identify the 'security (trust)' relationship between the customer satisfaction towards the s-commerce of Facebook.

2.4.2 Quality

A positive relationship between quality and customer satisfaction has been identified in prior research (Phillips et al. 1983). According to Aaker and Jacobson (1994) perceived quality provides a measure of the consumers' global assessment of the superiority or excellence of a product and is correlated to organizational performance. Quality is, therefore, viewed as one dimension of satisfaction. The concept of product and service quality is intricately linked with the concept of customer satisfaction. As stated by Macbeth and Ferguson (1994: 25) "Total customer satisfaction and delight is what Total Quality is all about". Evans and Laskin (1994) posit that if a firm embraces total quality management, customer satisfaction will occur. They hypothesized that Quality is positively associated with customer satisfaction.

2.4.3 Safety

After the breakdown of Covid -19 pandemic, due to movement control order (MCO), where people were restricted to move freely as before the pandemic, increase the demand for online shopping, which also directly increased the demand for courier services for delivering the parcels safely. A survey was conducted to identify the most popular online shopping websites in Malaysia in year 2020. Open ended questionnaire was used as the instrument for collecting the data from 280 respondents and quantitative method with descriptive research design were adopted to explore the collected data. It was found that, Shopee, Lazada and Foodpanda are the popular websites which frequently visited by the people (K. Isa et al., 2020). Poslaju, Shopee Express, Lazada Express and J&T Express were the main courier service providers of the stated popular websites (except Foodpanda as they deliver by the own company's riders). Overwhelmed negative comments were given by customers in Shopee comments section, regarding the extreme delay in delivering the parcels as well as the damaged goods during the delivery.

2.5. Social Support Theory

This study refers to the social support theory to identify the relationship between the selected three factors (safety, security, quality) and customer satisfaction. According to Gottlieb & Bergen (2010), social support refers to the social resources that people perceive to be available or that are provided to them by non-professionals in the context of both formal support groups and informal helping relationships. In the context of this study, which is an attempt of identifying relationship between the customer satisfaction toward s-commerce of Facebook with the selected factors; safety, security and quality, 'formal support groups' refers to the business organizations or individual sellers who provide information on the products. On the other hand, 'informal helping relationships' refers to the peer buyers who share their experiences of purchasing from a particular seller, comments on the quality and safe delivery of the products, and the secured payment transaction platforms.

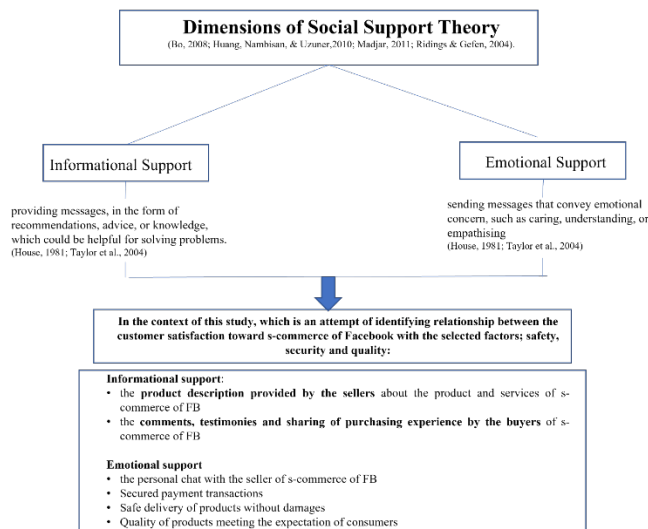


Fig 1. Dimensions of social support theory developed for this study

Basically, social support involves two dimensions; informational support and emotional support (Bo, 2008; Huang, Nambisan, & Uzuner, 2010; Madjar, 2011; Ridings & Gefen, 2004). Informational support refers to providing messages, in the form of recommendations, advice, or knowledge, which could be helpful for solving problems. Emotional support refers to sending messages that convey emotional concern, such as caring, understanding, or empathising (House, 1981; Taylor et al., 2004).

In this context of study, information support refers to the messages and information provided by both sellers and buyers on s-commerce of Facebook. From the aspect of sellers, the information support refers to the descriptions of product or services provided by the business organizations and individual sellers to the buyers. From the aspect of buyers, the information support refers to the comments, testimonies as well as personal sharing of experience purchasing from a particular seller, which usually shared on the wall or groups of s-commerce page of Facebook, from which other peer buyers can get the information from for decision making. On the other hand, emotional theory, in this context of study, refers to the personal chat of buyers with the sellers either before or after the purchasing of goods, which increase the convenience of customers. Apart from that, the three selected factors of this

study, security, safety and quality falls under the dimension of emotional as they contribute to the satisfaction of customers, which is the emotion part. Secured payment transactions, safe delivery of goods and quality of goods which met the expectation of the customers develops an emotion within customers which influence or affect the customer satisfaction.

A survey was conducted in China by Yong Liu et al (2018) for identifying the factors affecting users' intention to adopt to mobile social commerce (MSC) based on social support and trust theories. Partial least square were performed on 207 samples and the result indicated that, social support theory significantly affects the customers purchasing intention. It shows that, social support theory plays an essential role for customers to adopt to s-commerce platform for purchasing.

2.5 Conceptual framework

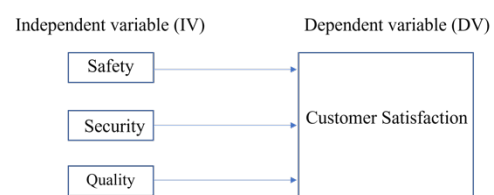


Fig. 2. conceptual framework for this study

Based on the conceptual framework, the selected three factors are the independent variables: safety, security and quality. On the other side, customer satisfaction is the dependent variable, where it influences or affected by the changes of independent variables. For instance, when the goods which purchased from s-commerce of Facebook is not delivered safely, then it directly influences the customer satisfaction, where the level of satisfaction reduces. Likewise, when people feel that the payment transaction on s-commerce of Facebook is not secured enough, then it affects the customer satisfaction too. Therefore, it is appropriate to conclude that, there is a direct relationship between customer satisfaction and the selected three variables.

H1: There is a positive relationship between safety and customer satisfaction towards the social commerce platform provided by Facebook

H2: There is a positive relationship between security and customer satisfaction towards the social commerce platform provided by Facebook

H3: There is a positive relationship between quality and customer satisfaction towards the social commerce platform provided by Facebook

3. METHODOLOGY

3.1. Data Collection

Primary data has been collected through survey questionnaire which was developed through Google forms. The link of the developed Google form was sent to all the 'KKS Golden Ent' customers who are actively engage in s-commerce of Facebook for buying and selling goods and services through WhatsApp group. 65 responses were received from customers and the data was extracted to Microsoft Excel for further analysis. Secondary data was collected through some reliable

sources including official websites of published journals and articles. It is essential to mention the utmost two justifications for choosing the company KKS GOLDEN ENT; (1) It is a legally registered company in Malaysia, which is operating since year 2017 and consist of customers who are actively engage in s-commerce of Facebook for buying and selling goods and services, (2) It was convenient to collect the primary data from the existing customers rather than searching for new sample.

4. DATA ANALYSIS

The primary data which was collected through feedback questionnaires from the customers of KKS Golden Ent, has been analysed by making use of the computer software package called the Statistical Package for the Social Sciences (SPSS). The findings have been interpreted as systematic as possible. This chapter is mainly divided into two parts; descriptive statistics and inferential statistics. In descriptive statistics this chapter discuss the demographic characteristics of the respondents and frequencies with percentage for the variable. In the inferential statistics this chapter covers the Normality test, Multicollinearity test, Reliability, Pearson correlation, ANOVA, and Multiple regression model.

Table 1 Estimated results of Demographic Characteristics

		Frequency	Percent	Valid Percent	Cumulative Percent
Age	20 - 30 years old	27	41.5	41.5	41.5
	31 - 40 years old	27	41.5	41.5	83.1
	41 to 50 years old	7	10.8	10.8	93.8
	More than 51 years old	4	6.2	6.2	100
	Total	65	100	100	
Race	Indian	62	95.4	95.4	95.4
	Malay	2	3.1	3.1	98.5
	Punjabi	1	1.5	1.5	100
	Total	65	100	100	
Marital Status	Married	38	58.5	58.5	58.5
	Single	26	40	40	98.5
	Single Mother	1	1.5	1.5	100
	Total	65	100	100	
Highest education level	Bachelor's Degree	20	30.8	30.8	30.8
	Master	1	1.5	1.5	32.3

	SPM	22	33.8	33.8	66.2
	STPM / Diploma	22	33.8	33.8	100
	Total	65	100	100	
Working experience	1 to 5 years	20	30.8	30.8	30.8
	11 to 15 years	9	13.8	13.8	44.6
	6 to 10 years	17	26.2	26.2	70.8
	Less than 1 year	6	9.2	9.2	80
	More than 15 years	13	20	20	100
	Total	65	100	100	
Position	Entry-Level	15	23.1	23.1	23.1
	Executive or Senior management	16	24.6	24.6	47.7
	First-level Management	5	7.7	7.7	55.4
	Intermediate or Experienced (Senior Staff)	12	18.5	18.5	73.8
	Middle Management	17	26.2	26.2	100
	Total	65	100	100	

Source: Author's Construction by Using SPSS software Package 24

Table 1 shows the demographic information of the 65 individual customers including their age, gender, race, marital status, highest level of education, years of working experiences and position of current employment, in a systematic manner.

Table 2. Estimated results of Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Security	65	1	5	3.5923	0.98691	0.974
Safety	65	1	5	3.6641	0.93471	0.874
Quality	65	1	5	3.8564	0.95146	0.905
Consumer Satisfaction	65	1	5	3.7128	1.06536	1.135
Valid N (listwise)	65					

Source: Author's Construction by Using SPSS software Package 24

The table 2 provide the descriptive statistics of the dependent and independent variables of this study. This first column of this table highlights the variables. The number of observations, minimum value, maximum value, means value, standard deviation and variance highlighted in second, third, fourth, fifth, and sixth column respectively. The main objective of this table is confirming any missing value, outliers, and dispersion of data. The table has confirmed that there is no missing value, and the meaning value is between 3 to 4 of all variables. From the minimum and maximum value, it is also confirmed that all values are between 1 to 5, meaning that there is not any outlier. In the end, from the standard deviation it has been confirmed that dispersion level is almost same across the variables and variation is minimum.

Table 3. Estimated results of Pearson Correlation

		Security	Safety	Quality	Consumer Satisfaction
Security	Pearson Correlation	1	.853**	.771**	.819**
	Sig. (2-tailed)		0	0	0
	N	65	65	65	65
Safety	Pearson Correlation	.853**	1	.863**	.881**
	Sig. (2-tailed)	0		0	0
	N	65	65	65	65
Quality	Pearson Correlation	.771**	.863**	1	.841**
	Sig. (2-tailed)	0	0		0
	N	65	65	65	65
Consumer Satisfaction	Pearson Correlation	.819**	.881**	.841**	1
	Sig. (2-tailed)	0	0	0	
	N	65	65	65	65

Source: Author's Construction by Using SPSS software Package 24

Table 3 has confirmed that the lowest value of Pearson correlation is between Quality and Security that is 0.771 which is close to one instead of zero remain values are even higher than that hence it has been confirmed that meaning there strong correlation among the variables of this research.

5. CONCLUSION

In accordance with the initial research objectives of this study, which is to determine the relationship between security, safety & quality (the 3 independent variables) with the customer satisfaction (the dependent variable) towards the social commerce platform provided by Facebook, the estimated results have confirmed that the projected result has shown that

security has a statistically significant impact on the level of satisfaction experienced by customers (with Unstandardized Coefficients of 0.227, Standardized Coefficients of 0.21 and the P-value of 5 percent). The projected result has also revealed that Safety has a statistically significant impact on the level of satisfaction experienced by consumers (with Unstandardized Coefficients of 0.514, Standardized Coefficients of 0.451 and the P-value of less than 1 percent). The most recent projected results have also shown that Quality has a statistically significant impact on the level of satisfaction of customers (with Unstandardized Coefficients of 0.324, Standardized Coefficients of 0.289 and the P-value of 1 percent)

Table 6. Summary of Hypothesis

S.No.	Hypothesis	Remarks
H1:	There is a positive relationship between safety and customer satisfaction towards the social commerce platform provided by Facebook	Supported
H2:	There is a positive relationship between security and customer satisfaction towards the social commerce platform provided by Facebook	Supported
H3:	There is a positive relationship between quality and customer satisfaction towards the social commerce platform provided by Facebook	Supported

In conclusion, another way to assess the validity of this research is to investigate the impact that addiction has on the connection that exists between satisfaction and the need to engage in a certain activity.

This model may also be evaluated once more by including trust as the mediating variable anywhere in the middle of the equation. Therefore, in the future, researchers might investigate additional elements that moderate the link between satisfaction and desire to remain as moderating factors. These factors would impact the relationship between satisfaction and intention to stay. In conclusion, the findings of this study are highly significant to the body of literature on this subject, and we hope that more research that demonstrates how essential these findings are will be conducted in the near future.

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