

## **The effects of the e-tailer's reputation, the e-tailer's familiarity, and the relevance of the e-tailer's social media communication on impulse buying**

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### ***Abstract***

*In this paper, we study how the interaction with consumers on social media impacts impulse buying using the data of 396 questionnaires. The results confirm that the e-tailer's reputation, familiarity, and the relevance of his social media communication positively impact trust and impulse buying. We have also found that social distance moderates the effect of the e-tailer's reputation and the perceived relevance of the e-tailer's social media communication on impulse buying. Knowing how social media communication influences impulse buying enables companies to strengthen synergy between social media presence and the online store.*

**Keywords:** *Social media communication, impulse buying, online retailer, familiarity, reputation.*

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## **1. Introduction**

For more than a decade, social media has aroused a huge enthusiasm among economic players. Social media served as a communication medium between the user and his circle of friends and acquaintances (Husain et al, 2016). Their use quickly diversified. Consumers now use social networks to assess their consumption experience, compare offers, discover new products, recommend brands, or lead a boycott campaign (Anderson et al, 2011; Aragoncillo and Orus, 2018). Social networks are social platforms that brands and retailers use to interact with their customers. E-tailers and brands diversify the content they publish on social networks to engage and retain the consumers (Schivinski and Dabrowski, 2014). Thereby, social networks have become an efficient tool for managing and developing customer relationships and gaining customer trust (Getry et al, 2018).

Social media has brought about a change in the power balance between the brand and the consumer, which acts on the brand's communication almost instantly. The brand or the online retailer is therefore forced to manage the flow of content created by consumers by enhancing it if it is in its favor and rationalizing it if it is more critical. Brand pages on social media can serve as an effective tool for building a trusting relationship with fans by instantly answering their questions, engaging in conversations with them, and taking their suggestions and complaints into account (McClure and Seock, 2020). With the tremendous development of the Internet and social media, and therefore the ascent of multi-channel distribution, customers are exposed to marketing stimuli that promote impulse buying (Dawson and Kim, 2009). The web's flexibility and accessibility have also augmented the tendency to buy online impulsively (Wu et al, 2016). Previous research has studied the effect of the synergy between communication on social networks and traditional communication (TV, email) on sales and purchase decisions (Kumar et al, 2016; Tarabieh, 2017). However, to our knowledge, a limited amount of research has focused on studying the link between the presence of the e-tailer on social networks and its website and its effect on impulse buying. In Marketing and information systems literature, a wide effort has been dedicated to establishing the determinants (consumer response, store cues, situational stimuli, and product characteristics) that influence impulse buying (Chan et al, 2017). However, there is a lack of research on the role of brand communication on social media in impulse buying. Chen et al (2018) state that several research studies have analyzed the effect of social media on planned buying but little research has tried to explore the facilitating role of social media in impulse buying.

This research aims to understand the synergy between the online retailer's presence on social media and his official website and its effect on impulse buying. Analyzing this synergy helps identify the underlying mechanisms which push customers to buy on a whim. Therefore, our research question is: how the non-technical aspects of the online retailer, for instance,

familiarity and reputation, and the relevance of the online retailer's official communication on social media affect impulse buying on his website?

To meet the research's objectives, first, we present the theoretical framework and the research model. Next, we discuss the results in light of previous research. Finally, we explain the research limits and future avenues of research.

## **2. Theoretical framework and hypothesis development**

### **2.1. Impulse buying**

Many definitions have tried to capture the extent and complexity of online impulse buying. Verhagen and Van Dolen (2011) conceptualize online impulse buying as an immediate and spontaneous purchase decision without prior reflection as in the planned purchase. Bayley and Nancarrow (1998) outline impulse buying as an unexpected, compelling shopping behavior within which the velocity of an impulse decision process precludes deliberate thinking of other information and selections. Wolny and Charoensuksai (2014) propose the concept of the consumer journey that refers to the multiple contacts with the product. The consumer encounters brands through websites, physical stores, and social networks. This myriad of stimuli can trigger impulse buying.

### **2.2. Perceived familiarity**

Brand familiarity describes the consumer's experience or knowledge of the brand (Alba and Hutchinson 1987). The experience may result from a direct exchange following the purchase of the brand or may result from an indirect experience in the street (urban display, street marketing) or in an advertisement. Consumers can also hear about the brand from those around them, so they get to know the brand by word of mouth (Park and Stoel, 2005). The purchase of familiar brands seems to be automatic since the consumer spends less time buying familiar brands. In this case, the consumer uses brand familiarity to facilitate the decision-making process (Ha and Perks, 2005). According to Benedicktus et al (2010), brand familiarity induces trust and purchase intention. Ha and Perks (2005) argue that website familiarity is a prerequisite for consumer trust and satisfaction.

**H1a:** E-tailer's familiarity is positively related to trust .

**H1b:** E-tailer's familiarity is positively related to impulse buying.

### **2.3. Online retailer's reputation on social media**

Brand reputation can be built through brand marketing strategy as well as word of mouth. Good brand reputation assumes reliability, integrity, and quality (Creed and Miles, 1996).

Pauwels et al (2016) identify two types of media that combine to constitute the brand informational capital. The official media owned by the brand is called “owned media”, like his website. which presents all the information and offers necessary to enable the purchase. The second type is unofficial media or “earned media” that are created or managed by consumers independently or in collaboration with the e-tailer mainly on social networks (community, fan page) (Sinclair & Vogus, 2011).

**H2a:** Online retailer's reputation on social media is positively related to perceived familiarity.

**H2b:** Online retailer's reputation on social media is positively related to consumer trust.

**H2c:** Online retailer's reputation on social media is positively related to impulse buying on its website.

#### ***2.4. The relevance of the e-tailer's content on social media***

Sperber and Wilson (1995) developed the relevance theory which states that communication is not just about sending and receiving a message, but it is about its relevance. Content is relevant if its interpretation is helpful. Hence, the message's process improves the receiver's knowledge or corrects his errors. (Xu and Zhou, 2013; Wilson and Sperber, 2002). However, an irrelevant message does not capture the receiver's attention and consequently will not be interpreted. Thus, relevant content is attractive and non-intrusive (Cook, 1992, Pérez, 2000). Ahn and Beilenson (2011) argue that if the advertisement is considered relevant, it will have a better chance of generating positive emotional and behavioral responses such as the purchase decision. Voorveld (2019) states that the messages posted by the brand on social networks are called “content” because they are mixed with the content generated by the users. This mix can make the content more relevant and engaging for the consumer. Social Media communication reduces the uncertainty that prevents the establishment of a trust bond between the consumer and the brand. Building a trust bond facilitates engagement in purchasing behavior (Tatar and ErenErdogmus, 2016; Ebrahim, 2019).

**H3a:** The relevance of the brand's communication on social networks is positively related to the perceived familiarity.

**H3b:** The relevance of the brand's communication on social networks is positively related to the e-tailer's reputation.

**H3c:** The relevance of the brand's communication on social networks is positively related to consumer trust

**H3d:** The relevance of the brand's communication on social networks is positively related to impulse buying.

### **2.5. Consumer trust and impulse buying**

Consumer trust in an online retailer refers to consumer beliefs about the potential behavior of the e-tailer. Hence, trust refers to the consumer's expectations about the e-tailer's respect for his promises when conducting the transaction (Ou and Sia, 2010). Trust is a significant determinant of purchase intention in general and even more in online exchange settings. Trust is important in online shopping due to the vendor opportunistic behavior can behave opportunistically and the intangibility of products (Gefen, 2000). Trust is of particular importance in online transactions because it conditions the consumer's willingness to buy online or not (Yoon and Occena, 2015). We hypothesize the following:

**H4:** Trust in the e-tailer is positively related to impulse buying on its website.

### **2.6. Perceived social distance on social media**

Social distance is an individual perception of closeness or intimacy between oneself and another individual or group (Magee and Smith, 2013). Constant interaction reduces social distance. The greater the desire for affiliation or belonging to the group, the smaller the distance between its members (Magee, 2020). The advent of online social networks has redefined the perception of social distance. By abolishing physical and time constraints, forming friendships is just a click away (Pappalardo et al, 2012). Online social networks have multiplied the possibilities for networking. These social networks are a source of non-redundant information. They facilitate the creation and the maintenance of close relationships (Zhang et al, 2011; Grabner-Kräuter and Bitter, 2015).

Therefore, we suggest:

**H5a:** Perceived social distance moderates the relationship between the e-tailer's reputation on social media and impulse buying on its website.

**H5b:** Perceived social distance moderates the relationship between the relevance of the e-tailer's communication on social media and impulse buying on its website.

## **3. Method**

### **3.1. Sample and data collection**

The final sample contains 396 respondents who have purchased from an online store. 280 respondents confirm that they made an impulse purchase on this online store. This e-tailer develops content on Facebook and encourages its fans to share posted content to receive gifts or discount vouchers. Our sample is made of 41 % males and 59 % females. 70% of respondents are in the age category of (20-45) years

### **3.2. Measures**

The constructs we used are well established in the literature and have good validity. To measure the constructs, we used Likert-type scales with a five-point format.

### **3.3. Convergent and discriminant validity**

The convergent validity of each construct is above the required threshold (alphas: 0.80; AVEs: 0.50) (Table 2). To verify the convergent validity of each construct, its variance Extracted (AVE) must be greater than 0.5 according to the criterion of Fornell-Larcker (1981). The discriminant validity which refers to the sensitivity of the measurement scales is established for all the constructs (Zait and Berteau, 2011).

**Table 1: Reliability and convergent validity statistics**

<b>Construct</b>	<b>Cronbach's alpha</b>	<b>AVE</b>
Familiarity	0.988	0.944
Reputation	0.982	0.936
Relevance of communication	0.977	0.916
Trust	0.956	0.807
Impulse buying	0.966	0.875
Social distance	0.976	0.909

## **4. Results**

### **4.1. Measurement model results**

The measurement model indices satisfy the required thresholds (Hoe, 2008). A chi-square of 1044.185 with 583 degrees of freedom. Other goodness-of-fit indices indicate an acceptable fit [CFI] =0,984; NFI= 0,965; RMSEA = 0.043.

### **4.2. Structural equation modeling**

The structural model describes the links between constructs (Das, 2014). Our structural model establishes the links between the e-tailer's familiarity, e-tailer's reputation, the relevance of the e-tailer's communication on social media, consumer trust, and impulse buying. The linkages (as stated in H1–H5) were tested with Maximum Likelihood. Maximum likelihood is used to assess the hypothesis and to evaluate the structural model.

Our results indicated a good fit with the data (Ding et al, 1995). ( $\chi^2 = 655,369$   $p < 0.000$ ;  $CMIN/DF = 1.757$ ;  $NFI = 0.974$ ;  $IFI = 0.986$ ;  $TLI = 0.986$ ;  $CFI = 0.988$ ;  $RMSEA = 0.042$ ).

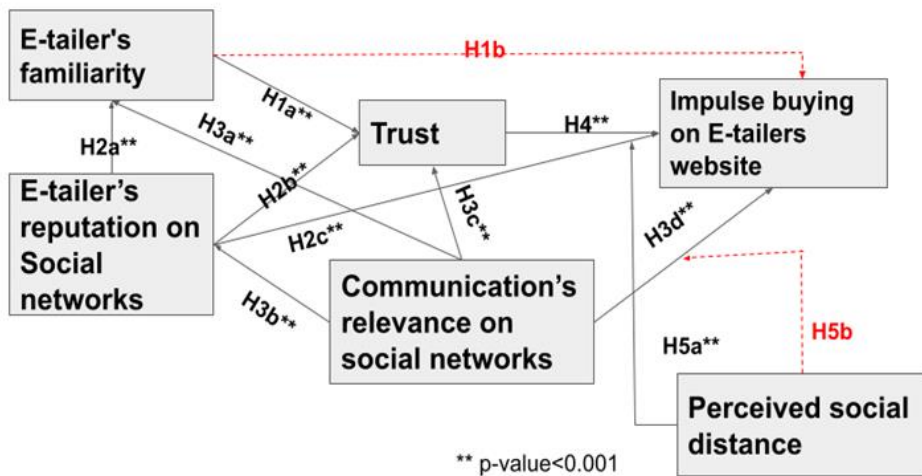


Figure 1. Research Model

## 5. Discussion

We have found that familiarity with the e-tailer positively and significantly impacts consumer trust (H1a:  $\beta=0,055$ ;  $p$  value<0.001). However, we do not find a direct effect (H1b is rejected) of familiarity on impulse buying. Likewise, H2a ( $\beta=0,030$ ;  $p$  value<0.001) is validated. E-tailer's reputation on social networks has a positive impact on familiarity. Familiarity captures the direct and the indirect experience with a brand within a consumer's memory. The more the consumer interacts with the online retailer, the more it is familiar to him (Campbell and Keller, 2003). H2b ( $\beta=0,053$ ;  $p$  value<0.001) and H2c ( $\beta=0,046$ ;  $p$  value=0.001) are also supported. Furthermore, online retailer's reputation consolidates trust and facilitates the purchase decision (Li, 2014; Josang et al, 2007). The hypotheses H3a ( $\beta=0,032$ ;  $p$  value=0.036), H3b ( $\beta=0,050$ ;  $p$  value<0.001), H3c ( $\beta=0,046$ ;  $p$ -value <0.001) and H3d ( $\beta=0,026$ ;  $p$  value<0.001) are supported. Kim and Jonson (2016) suggest that social media experience improves brand image and induces impulse buying. Brands use social media to maintain a rich and constant interaction with the consumer. Relevant content on social media forges a closeness and thus establishes a trusting relationship. (Khadim et al., 2018) . As we have predicted, H4 ( $\beta=0,044$ ;  $p$ -value <0.001) is supported. Consumer trust varies enormously depending on the context. Internet transactions are sensitive for the consumer because the risk of e-tailer misconduct is high (non-compliance with delivery deadlines, non-compliance of the delivered product with the ordered product, the opacity of the product

return policy, faulty management of complaints). We have found that perceived social distance strengthens the link between the online retailer's reputation on social media and impulse buying (H5a,  $\beta_3=0.711$ ; p value  $<0.001$ ;(H5 b,  $\beta_3=1.028$ ; p value= $<0.001$ ). According to Chen et al. (2018), when consumers consider that they are close or similar to other consumers on social media, the perceived social distance is minimal. Accordingly, consumers can trust each other, especially since the experiences posted on social networks are well supported. Chen et al. (2016) found that the number of likes on social media commercial content is a good indicator of consumer impulsivity.

## **6. Conclusion and Implications**

In this study, we focused on the online retailer's familiarity and reputation, which are valuable assets not directly linked to its website's technical attributes but forged by its communication strategy. We also tried to analyze the effects of perceived relevance of the content shared by the e-tailer on social networks on online retailer familiarity and reputation and impulse buying on its online store. The interweaving of the message shared "officially" by the online retailer and the users' content combine to form its reputation and increase its perceived familiarity. Sharing "stories" and experiences and the desire to maintain a connection with other users through interaction is the backbone of social networks. Consumers who easily migrate from the retailer's official page on social networks to its website to make an impulse purchase may constitute a privileged target to which it is necessary to personalize the offer. The synergy between the social media presence of the retailer and its website reinforces trust and facilitates impulse buying. The online retailer's familiarity, reputation, and the relevance of its social media content help build this synergy. Each interface will constitute the relay to other canals. For example sharing content from the e-tailer website on social networks to recommend products or buying or ordering the product by going from the brand's page on social networks to its website and vice versa.

## **6. Limitations and future research**

It is necessary to test the model by increasing the number of online retailers who can enjoy different levels of familiarity or reputation to enhance the generalization of the results. Second, Future research may include control variables such as money and time availability, product category, gender, and age to increase the research's representativeness.

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