Social Shopping: The Good, the Bad and the Ugly

Gabrielle Peko  
University of Auckland  
g.peko@auckland.ac.nz

Valeria Sadovykh  
PwC and University of Auckland  
valeria.a.sadovykh@sg.pwc.com

Shahper Vodanovich  
Auckland University of Technology  
svodanov@aut.ac.nz

David Sundaram  
University of Auckland  
d.sundaram@auckland.ac.nz

With the emerging of recommender and comparison systems in Online Social Shopping engines like Amazon, Alibaba, eBuy, Buy.com and many others, more studies are appearing with regard to online information search fueling the purchasing power of shoppers. Online social media such as blogs, wikis, forums, and social networks are improving the speed of collaboration and reinventing communication.

The use of online social networks (OSN) is changing our e-commerce society from transaction-based to relationship-based. OSN are increasingly being used to obtain information, opinions, recommendations, and comparisons and to view discussions to make shopping decisions. Often consumers are faced with purchase dilemmas and there are many questions in one’s mind that could potentially affect the outcome of the purchase decision.

How shopping decisions are taken with the support of OSN and how these networks influence purchase behavior has not been explored sufficiently in research. Although the usage of OSN is growing rapidly, there is a poor understanding of how OSN can provide support and influence purchase decisions in general.

The objective of this mini-track is to obtain insights and develop theoretical and practical understanding on topics and issues related to the influence of OSN on consumption orientated shopping decisions. This is the third year this mini-track has been offered with growing interest in the topic. Similar to previous years, the mini track attracted a variety of interesting papers.

The first paper, Online Retailing Channel Addition: Risk Alleviation or Risk Maker? considers the retailing industry traditional approach to the optimal products selection and pricing problem and offers an alternative, risk perspective, solution. Adopting a mean-variance framework, the proposed approach explicitly takes into account the inter-connectedness of retail products and their impact on risk at the portfolio (retailer) level. Extending the analysis to multiple-channel decisions, the results suggest that the introduction of a new retailing channel can reduce the portfolio risk, whereas a lack of synergy between the new and existing channels may lead to a negative impact on the overall performance.

The second paper, An Empirical Analysis of Repurchase Behavior in Mobile Commerce According to Different Mobile Channels investigates Smartphone-based m-commerce and the crucial factors of repurchase behavior of consumers based on the recency, frequency, and monetary value (RFM) model. The results show that all RFM variables significantly affect repurchase behavior, and the findings imply that mobile app users are more likely to repurchase than users in other channels. It is also found that the frequency variable is more important for mobile channel users, while the recency variable is more important for online channel users.

The third paper, Impact of Mobile Electronic Word of Mouth (EWOM) on Consumers Purchase Intentions in the Fast-Causal Restaurant Industry in Indonesia examines the impact of social media marketing activities (mobile eWOM) on different dimensions of online customer based brand equity and behavioral intentions towards the online fast causal restaurant industry. The results indicate that mobile eWOM (stimulus) significantly influenced both consumer emotional, affective and cognitive responses, which in turn, significantly influenced behavioral responses.

The fourth paper, Carrot-or-Stick: How to Trigger the Digitalization of Local Owner Operated Retail Outlets? explores why Local Owner Operated Retail Outlets (LOOROs) are hesitate to adopt digital tools and applications so triggers to support the local structures and to push the digitalization efforts of local retailers can be identified. In particular, the impact of the availability of resources (carrot) and the perception of pressure (stick) on the use of digital applications among owners of LOOROs are investigated. The findings show that LOOROs suffer under a shortage of time and capacities and seem to be disconnected from the development of their competitors and their customers.

The fifth paper, A Real-Time Detection Algorithm for Identifying Shill Bidders in Multiple Online
*Auctions* presents a real-time shill bidding detection algorithm to identify the presence of shill bidding in multiple online auctions. The algorithm provides each bidder a Live Shill Score (LSS) indicating the likelihood of their potential involvement in price inflating behaviour. The LSS is calculated based on the bidding patterns over a live auction and past bidding history. Data obtained from a series of realistic simulated auctions and also commercial online auctions was used to test the algorithm. The results show that the algorithm is able to prune the search space required to detect which bidders are likely to be potential shill bidders.