Effects of Social Presence and Social Capital on User Loyalty to the Social Networking Website: The Case of Facebook Usage in Taiwan

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ABSTRACT

Web-based, online social networking has received much attention from researchers in a variety of academic disciplines, with interesting issues addressed from different perspectives. Although Internet technologies play an instrumental role in the provision of the connectivity and message exchange capabilities that are required for the member interactions, the impacts of extensive usage of online social networks often are on the non-technological aspects. This research investigates the driving forces of website loyalty, an issue of interest to both the individuals using the service for socializing and for the businesses deploying social networks as a serious technological tool for business promotion purposes. Using Facebook as the target of observation, this study evaluates the effects of social presence and social capital on website loyalty. The analysis reveals a positive influence of social presence on all three (structural, relational and cognitive) dimensions of social capital. Further, both the relational and cognitive dimensions of social capital have positive influence on the website loyalty.

KEYWORDS
Social Capital, Social Networking, Social Presence, Website Loyalty

INTRODUCTION

The deployment of the Internet is a strategic decision-making issue in virtually all sectors of our society. With the technological functionality continually advancing, the user-engaging interfaces that facilitate aggressive applications of the technology in pursuit of competitive advantage have allowed even novice users to make Internet-enabled services a critical part of their work and life. In fact, in many settings, the way the user interacts with information technology today often takes place without the user even noticing the existence of the technology. The social aspect and the technological aspect of technology utilization are so tightly inter-woven in the usage experience that some researchers have found it appropriate to refer to communication networks as social networks (e.g., Biocca & Harms, 2002; Biocca, et al. 2003). The most noticeable example of this phenomenon is a collection of social networking websites.

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Social media emerged as a Web 2.0 technological service facilitating personal social connections running on the Internet. It has rapidly evolved to become a critical communication channel for organizations interacting with customers and other stakeholders (Kane, et al., 2009). These social media services provide a variety of multimedia features that not only are useful but also easy and convenient for non-technical people to use. Virtually all social networking websites adopt a free usage business model in order to grow their user base. As a result, the ubiquity of social media usage has become one of the major forces that make the Internet an important part of everyday life. Currently, there are at least twenty social networking services with 100 million or more users worldwide. Facebook, the leading social networking service provider, has more than 1,550 million global users as of January 2016 (Statista, 2016).

What is the theoretical explanation for the success of these social networking services? It would just be a fad and may quickly fade away if it is not much more than a mere random phenomenon. However, these social networking services will likely continue to influence the physical world even at a deeper level if there are sustainable reasons that systematically justify the user’s behaviors in using social media. Following this line of reasoning, the purpose of this study is to explore the role of social capital in building users’ loyalty to a social networking website. We also look at if the notion of social presence influences users’ perception of social capital in the context of social networking service usage. These three constructs - social presence, social capital, and website loyalty - span across several reference fields. In specific, social presence is a well-researched topic in computer-mediated communication and online education ((Tu, 2001; Tu & McIssac, 2002). Social capital has received much attention in such fields as sociology (Lin, 1999; Ellison, et al., 2007), online learning (Oztok, et al., 2015), organizational knowledge management (Bharati, et al., 2015), and organizational study (Adler & Kwon, 2002; Naphapiet & Ghoshal, 1998). However, both social presence and social capital are relatively new to information systems research (Cyr, et al., 2007; Han, et al., 2015).

In the next section, we first briefly describe the concept of social presence, social capital and website loyalty. We then discuss our research hypotheses and research model employed in this study. A description of our approach for data collection and data analysis follows. We then present the findings and interpretation. The paper ends with suggestions for business practice as well as for academic research.

Social Presence

The notion of social presence has been investigated and enhanced since its introduction by Short, et al., (1976). The concept resulted from a series of lab experiments, conducted from the social psychology perspective, to compare various communication media using semantic differential scales. The experiments confirmed the assumption that one should view the notion of social presence as a subjective characteristic of the communication medium. Users perceive difference levels of social presence with different media. Since then, researchers in various academic fields have examined the concept of social presence in order to develop it into a more robust theory. Most of these follow-up works appear in computer-mediated communication (CMC) and online education literature. A relatively smaller number of researches in information systems also involved social presence either as an independent variable or as a dependent variable (e.g., Han, et al., 2015; Cyr, et al., 2007).

The emphasis of CMC is on building a broader theory of social presence than originally proposed. Biocca, Harms & Burgoon (2003), for example, reviewed and critically commented on existing theories and measures. They also propose a set of criteria and scope conditions to serve as the foundation for a more robust theory and measure of social presence. The ultimate goal is a better understanding of the networked minds theory and measures. A notable contribution of CMC research to the theory
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