Empirical Study on the Influencing Factors of WeChat Business Integrity

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ABSTRACT

With the increasing popularity of smartphones and electronic payment, WeChat shopping has become a trendy lifestyle for many people. However, the issue of WeChat business integrity has gradually appeared due to the virtuality of the internet. This paper analyzes the current situation of the development and integrity of WeChat business, and the differences and connections between WeChat business and traditional e-commerce. Based on theoretical and practical analyses, this paper puts forward the influencing factors of WeChat business integrity and related hypotheses. Data collected through questionnaires are evaluated by reliability and validity with SPSS24.0; after that, empirical analysis is conducted to the structural equation model. The results indicated that products and service quality, after-sale guarantee, payment security, and word-of-mouth had a prominent positive effect on the integrity of WeChat business, of which product and service quality have the greatest impact; this is followed by payment safety, after-sales service, and word-of-mouth, which has the smallest impact on WeChat business integrity. At the same time, it offers countermeasures to improve the quality of products and services, ensure payment safety, improve the after-sales guarantee and establish a good reputation, so as to enhance the credibility of WeChat business and achieve sustainable development.

KEYWORDS

Empirical Analysis, Influencing Factors, Integrity, WeChat business

INTRODUCTION

In recent years, e-commerce has flourished, especially with the emergence of social networks such as Facebook, Twitter, WeChat, and Weibo, and they have affected the way people work, socialize, access information, and shop online. In China, the WeChat app function, “WeChat Friendship Circle,” provides people with an increasing amount of opportunities to start up new businesses (Li, 2017; Chu, 2018). A WeChat-based businesses is based on a new business model in the WeChat mobile app that uses the help of social software and social networking. There has been a rapid development of big data in terms of data mining (Chang & Yang, 2017), complex event analysis and multimedia event recognition (Chang, Ma, Yang, Zeng, & Hauptmann, 2017; Chang, Yu, Yang, & Xing, 2017; Li, Nie & Chang, 2017), multimedia social networks that are based on trust (Li, Zhang, and Zhang,
2018), cloud-based manufacturing composite services (Namjoo, Keramati, & Torabi, 2018), rapid sensor detection (Chang, Ma, Lin, Yang, & Hauptmann, 2017), information technology for smart cities (Maestre-Gongora & Bernal, 2019), information and communications technology (Morrar, Abdeljawad, Kisa, & Younis, 2019), regulatory effect of consumer cognition innovation based on the S-O-R model (Osmal, Kang, & Iwona1, 2019) and database security (Sangeeta & Narasimha, 2018) to provide a technical basis for the development and maturation of the WeChat-based businesses model. According to the Statistical Report on the Development of China’s Internet Network released by the CNNIC, the usage rate for WeChat has been increasing year by year since the appearance of its “WeChat Friendship Circle.” By December 2017, the usage rate for WeChat reached 87.3% (Shan, 2018). WeChat has become a new way of doing business in China, and it can be seen as a combination of traditional e-commerce and social network communication. A WeChat-based business develops its customer relationships in two ways, through business relationships and friendships (Yang, 2016). One WeChat-based business entered the consumers’ range of vision with a new marketing model (i.e., opening a shop based in the WeChat Friendship Circle) in 2013 by disseminating across social platforms pictures of various products, including cosmetics, healthcare products, and clothes.

With the rapid development of WeChat-based businesses, the issue of integrity has come to the forefront. The false propaganda about some virtual trade events has seriously damaged the interests of consumers. For example, the “toxic facial mask” incident involved changing the appearance of young girls into the “Green Lantern.” On September 30, 2016, CCTV exposed the “consumption trap of WeChat about pyramid selling,” which made consumers doubt the reliability of WeChat products as well as the integrity of WeChat-based businesses. The undated products and the false propaganda led to a discussion about WeChat-based businesses by scholars. The research about this topic mainly involves three aspects:

1. Studies concerning the current status of WeChat-based businesses. The studies on WeChat-based businesses, especially with college students, showed that many college students avoided WeChat-based purchases due to their low product quality, unreasonable prices, and there being a lack of a guarantee policy (Shi, 2017; Wang, 2017). When WeChat-based businesses first developed, one of their advantages was that they required less of a threshold and had simpler procedures compared to other forms of e-commerce (Zhang, 2018); Because of the characteristics mentioned above, a chaotic situation formed since anyone can engage in the WeChat-based business industry without training and verification, which had a negative effect on the management and development of WeChat-based businesses (Wang, 2019).

2. The development trends for WeChat-based businesses. It had been predicted that WeChat-based businesses would become a common business form in the future since they would draw more people into business (Hu, 2016; Liao, 2016). The development trend for WeChat-based businesses can be summarized as follows: Industry standardization, WeChat platform and community, and WeChat-based businesses (Lan, 2018). Most of the WeChat-based businesses exist in the form of WeChat-based business agents who don’t have any products, and it is expected that these WeChat-based business agents will be eliminated (Zhang, 2018).

3. The integrity of WeChat-based business operations. Some individual operators post fake transfer records, chat records, etc., using certain tools in WeChat’s circle of friends. Once the false information is exposed, consumer trust in the entire micro-business platform is greatly reduced. (Fu, 2018). Integrity problems in the WeChat-based business operations include false advertising and difficulties had protecting consumer rights (Wang, 2014), product quality issues and after-sales protection issues (Qian, 2016), the imperfections of the regulatory system and a lack of standardization in the market (Wang, 2017), the insecurity of the payment methods (Li, 2017), and the virtual nature of the transactions (Fu, 2019).
An Agenda for Research Linking Information Systems and International Business: Theory, Methodology and Application
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