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SOCIAL MEDIA USAGE INCREASES THE PROBABILITY OF PURCHASING ONLINE

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WORKING PAPERS ON RISK MANAGEMENT AND INSURANCE NO. 178

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JUNE 2016



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June 2016

This research investigates whether and how social media affect consumer's choice of the purchase channel. Drawing on social identity theory, we predict social media affect consumers' purchase decision, but only when the consumer is identified with the social media channel used for collecting information. The findings of two studies – an experimental study and a large scale survey – support this prediction, revealing that a high level of identification with the social media channel used for collecting information increases consumers' inclination to purchase online. A mediation analysis shows that identification with the social media channel affects consumers' perceptions of online channels in general (i.e., in terms of the perceived risk, usefulness, and ease of use) and ultimately increase their inclination to purchase online. The paper offers useful theoretical insights into the psychological process underlying consumers' choice of the purchase channel as well as practical insights into how to effectively guide consumers toward the typically more cost-effective online channels.