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### A Study on Positioning Through Choice Attributes of the SNS Platform

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#### ABSTRACT

To investigate the positioning attributes that are the users' perceptions on the Social Network Service Platform (SNSP), correspondence analyses for preference and non-preference on nine SNSPs were performed, classifying the upper platform to understand the positioning attribute of each SNSP by structure equation modeling (SEM).

**Keywords:** SNS Platform, Positioning Attribute, PLS, Correspondence Analysis.

#### 1. INTRODUCTION

Early Social Network Services (SNSs) appeared as the service forms to share and distribute information and content by connecting individuals and focusing on the users based on network service, while various forms of SNS have been provided as Information Communications Technologies (ICT) are developed these days. In addition, new types of SNS platforms have emerged as business solutions in a variety of business areas. For instance, the companies to provide the services by social platforms like Facebook, Kakao Talk, and Instagram using SNS have been introduced. As the importance of platform business becomes more significant, many companies provide platform services competitively, and they invest heavily to preempt the market for their survival. As convenience and utility through SNS platform (SNSP) have increased, the users' dependency level has been amplified more and more on the SNS platform. While various types of SNSPs were highlighted and serviced with great attention, few studies had been conducted to investigate SNSPs in view of a user's positioning. Previous studies on SNS were focused on the correlation between the quality of SNSP and the users' satisfaction levels, along with the analysis of social interaction such as

‘elements that affect the intention of continuous SNS usage (Lin & Lu, 2011; Ku, Chen & Zhang, 2013)’ and ‘a study on the expectation elements of SNS usage (Xu, 2014).’

In this study, the positioning attributes that apply the importance of a user’s perception on the services were investigated, with attention on the SNSP business situation that has been rapidly progressing.

## **2. THEORETICAL BACKGROUND**

### **Positioning**

Positioning means the promises of the company to provide differential advantages or values, which are differentiated and uniquely relative ones in the consumers’ minds compared to the competitor brands’. In addition, positioning is initiated from the product while it is not realized by the product itself but by the consumer’s mind, which is defined as the consumer’s subjective attributes as regards price, types, image of the goods, perceptions, and so on (Ries & Trout, 1972). As such, the concept of positioning enables application to a variety of categories such as products, services, companies, people, and so on, and it is generally the same as the consumers’ relative behavior on what the company can provide in the market, compared to the competitors.

### **Platform**

Platform studies had been initiated in the studies on the two-sided market, and it provides insights to products and services, connecting two distinguished user groups (Rochet & Tirole, 2003). Recently, SNSPs such as Facebook have been rapidly developed and serviced, providing a platform to online users for them to be able to manage their interpersonal relationships and communication with others (Ku, Chen & Zhang, 2013). The meaning of these SNSPs exceeds the simple service concept to implicate the multi-dimensional ones such as technology, services, society, policy, etc. Moreover, they are the innovative mechanisms to enhance the credibility and transparency of the information by social relationship, experiences, reputations, recommendations, and so on beyond simple digitalization of information (Ku, Chen & Zhang, 2013). SNSP is a soft infrastructure to facilitate “socialization” or social relational dynamics in all the areas of human behaviors from communication up to organizational operation and businesses, positioning SNS in the core, like in Facebook and Kakao story.

## **3. THEORETICAL MODEL AND HYPOTHESES**

Studies on positioning have been continuously performed in a variety of fields. The positioning attributes to be used in each study are defined as the ones that the users commonly perceive and the ones that are applicable to relevant fields. Considering the previous studies, there were researches not only for tangible goods but also for intangible services like hotel, bank, entertainment, and so on (Dibb & Simkin, 1993). With respect to the service industry such as the Internet and platform services, there were studies including “a study on the success factors in B2C by service functions of Amazon and quality positioning (Cenfetelli, Benbasat & Al-Natour, 2008)” and “a study on the strategic positioning in the e-business environment.” Studies on positioning have been conducted in a variety of fields using applicable attributes to each field by the investigator’s perspectives. In this study, common positioning attributes were classified from the previous studies with selections of four positioning attributes applicable to SNSP by cross comparison with the platform studies.

## **Hedonic**

Hedonic is defined as joy, fun, and pleasure acquired from the services, and it plays an important role in accepting new technology (Heijden, 2003). In one reference Monno and Xiao (2014), the proposed hedonic factor affected the user's behaviors in the study on the applications of mobile commerce, and the consumers who experienced fun and joy by using the services would use the experienced services rather than the ones not experienced. Another reference Heijden (2003) suggested that the consumers who experienced joy were among those who used the Web site, felt more attracted to it, and whose hedonic needs were affected by the determinants in the individual selection intention of SNS (Brandyberry, Li & Lin, 2010).

**Hypothesis 1:** Hedonic will affect behavioral intention positively (+).

## **Differentiation**

Differentiation means the different or special degrees of perception on the products and services compared to those of competitors in positioning studies. It refers to how similar or distinguished products and services are perceived compared to other brands. When a brand is perceived as having similar values as other brands in the same service category, it is recognized to have lower differentiation. When a brand is perceived as having different values, it is recognized to have higher differentiation (Johnson, 1986; Sujan & Dekleva, 1987). The concept of differentiation can be defined as showing differences in products or services, leading to greater attraction to it than to the competitors.

**Hypothesis 2:** Differentiation will affect behavioral intention positively (+).

## **Reputation**

Reputation is the consumers' perceived subjective and critical viewpoint on companies and brands such as their brand or service name, awareness level, image, provision scope, and so on. Since reputation cannot be purchased, replaced by others, and be imitated, it provides competitive advantage continuously (Serrano-Cinca, Fuertes-Callén & Gutiérrez-Nieto, 2010). This can appear as market status, meaning the position of the company, product, service, etc. in the market, which includes attributes as having the best quality, the highest quality, the highest position, being a well-known brand, and so on. It is defined by images, whether it provides more favorable products and services than the competitors, and whether it is well-known to be in a leading position.

**Hypothesis 3:** Reputation will affect behavioral intention positively (+).

## **Attractiveness**

The attribute of attractiveness is the degree of appeal of the service or brand, and defined as self-appealing, aesthetically appealing, a nice idea, elegance and gracefulness, and so on (Blankson & Kalafatis, 2004). The attributes of attractiveness commonly appear in the studies on the positioning of service brands, and those in SNSP positioning whether the subject SNSP is perceived more attractively than the platform of the competitor.

**Hypothesis 4:** Attractiveness will affect behavioral intention positively (+).

### Theoretical Model

The basic research model is shown in Figure 38.1. Significant positioning attributes of behavioral intentions by each group are investigated with the user groups of SNSP that are analyzed and classified by frequency and correspondence analyses using the survey data.

**Hypothesis 5:** There may be a difference in positioning attribute by each group.

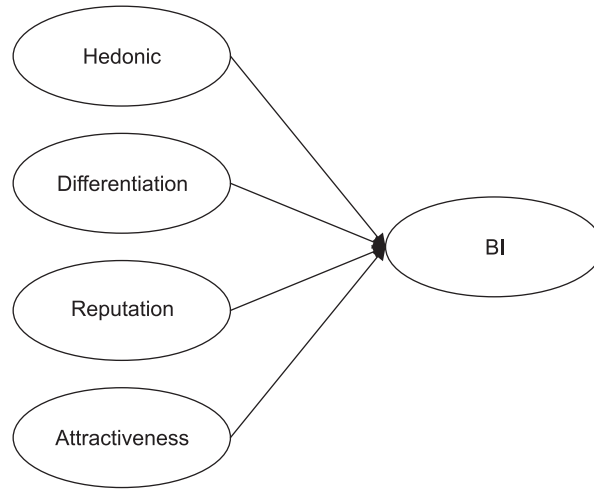


Figure 38.1: Research Model

## 4. DATA ANALYSIS

### Frequency Analysis

The demographic characteristics of the survey respondents are seen in Table 38.1. Upon the analysis results on the preferred SNSP, the frequencies of the users in Kakao story, Facebook, and Instagram were found to be high.

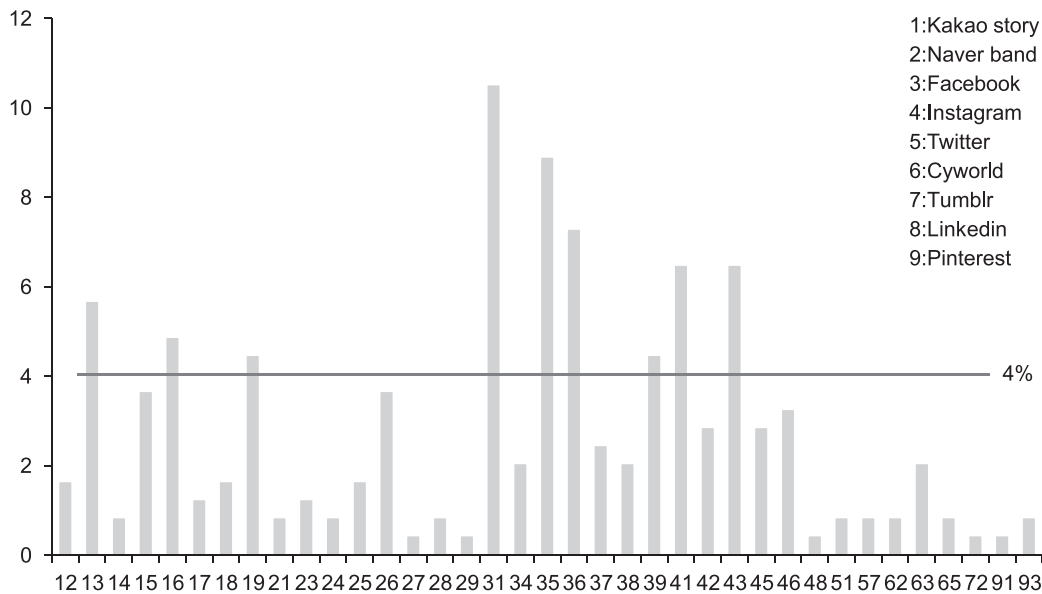
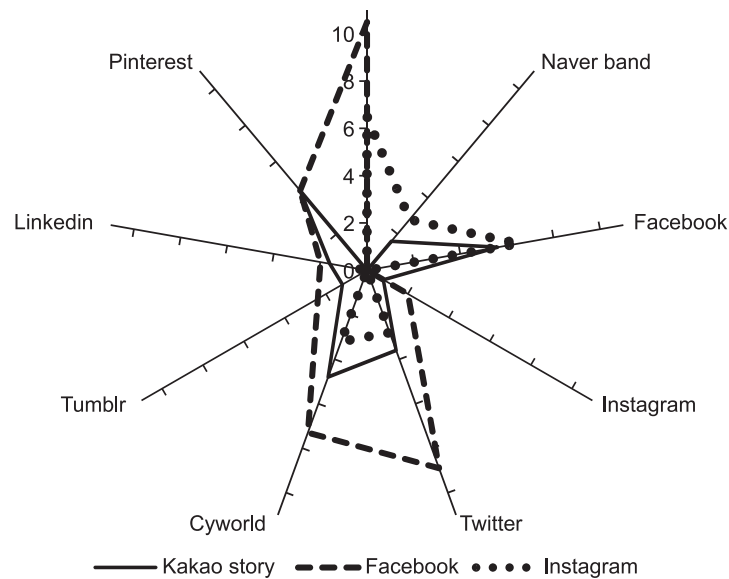


Figure 38.2: Preference & Non-preference chart

**Table 38.1**  
**Demographic Characteristics**

S.No.	Classification	Frequency	Percentage			
1.	Gender	M	113	45.6		
		F	135	54.4		
2.	Ages	16~19	3	1.2		
		20~29	145	58.5		
		30~39	39	15.7		
		40~49	15	6.0		
		50~59	28	11.3		
		60s	18	7.3		
3.	Preference SNSP	Kakao story	59	23.8		
		Naver band	24	9.7		
		Facebook	93	37.5		
		Instagram	55	22.2		
		Twitter	4	1.6		
		Cyworld	9	3.6		
		Tumblr	1	.4		
		Pinterest	3	1.2		
		4.	Nonpreference SNSP	Kakao story	47	19.0
				Naver band	14	5.6
Facebook	40			16.1		
Instagram	9			3.6		
Twitter	44			17.7		
Cyworld	47			19.0		
Tumblr	12			4.8		
Pinterest	12			4.8		
Total		248	100.0			

Non-preferences on the groups of Kakao story, Facebook, and Instagram are seen in Figure 38.3.



**Figure 38.3: Non-preferences on the Groups**

### Correspondence Analysis

Correspondence analysis is a multivariate graphical technique designed to explore relationships among categorical variables. Correspondence analysis is a multivariate graphical technique designed to explore relationships among categorical variables. In this study, correspondence analysis was performed on the preference and non-preference for SNSP using CA package of R Programming as seen in Figure 38.4.

SNSP user groups were categorized by three groups. Therefore, the positioning attributes on the intention of SNSP uses were analyzed by three groups.

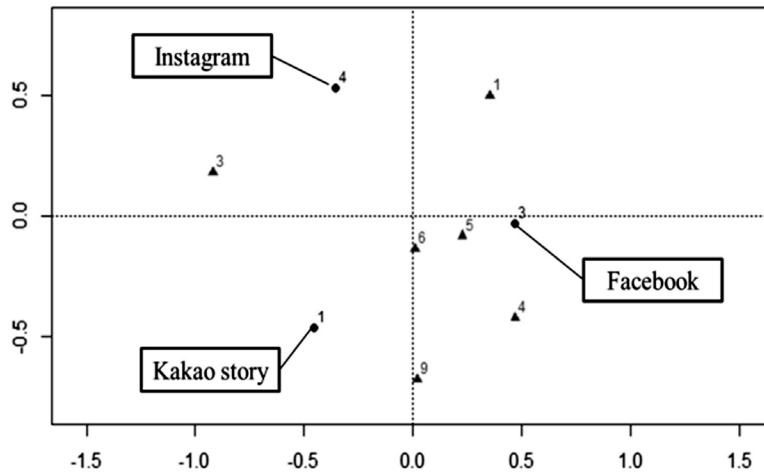


Figure 38.4: Correspondence Analysis

### Factor Analysis

The results of factor analysis are presented in Table 38.2.

Table 38.2  
Factor analysis

S.No.	Factor	Item	1	2	3	4	5
1.	Hedonic	HD2	0.918	0.157	0.106	0.126	0.180
		HD4	0.904	0.191	0.081	0.127	0.156
		HD3	0.897	0.170	0.100	0.147	0.192
		HD5	0.870	0.154	0.093	0.145	0.183
		HD1	0.863	0.139	0.114	0.180	0.173
2.	Behavioral intention	BI2	0.186	0.911	0.110	0.099	0.050
		BI3	0.184	0.907	0.042	0.122	0.031
		BI1	0.239	0.867	0.108	0.097	0.046
		BI4	0.126	0.826	0.184	0.098	0.135
		BI5	0.034	0.824	0.086	0.114	0.216
3.	Differentiation	DFF3	0.088	0.094	0.909	0.141	0.167
		DFF2	0.097	0.134	0.874	0.084	0.218
		DFF4	0.144	0.083	0.864	0.126	0.155
		DFF1	0.051	0.149	0.825	0.139	0.206
		DFF5	0.101	0.082	0.688	0.229	0.279

<i>S.No.</i>	<i>Factor</i>	<i>Item</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
4.	Reputation	REP4	0.044	0.128	0.141	0.828	0.134
		REP3	0.063	0.051	0.174	0.821	0.213
		REP1	0.189	0.047	0.122	0.806	0.186
		REP2	0.280	0.085	0.146	0.762	0.228
		REP5	0.167	0.248	0.103	0.726	0.125
5.	Attractive	ATT3	0.170	0.063	0.239	0.200	0.860
		ATT2	0.108	0.137	0.243	0.213	0.799
		ATT4	0.138	0.069	0.271	0.268	0.789
		ATT5	0.315	0.108	0.174	0.173	0.703
		ATT1	0.291	0.167	0.209	0.144	0.674

### Reliability

In this study, reliability was tested by internal consistency. A previous researcher considered positive reliability as both composite reliability (CR) and Cronbach’s  $\alpha$  being not less than 0.7, considering also convergent validity when the averaged variance extracted (AVE) of each potential variables was not less than 0.5. The results are shown in Table 38.3. It can be considered that construct validity was secured and the measurement model had convergent validity.

**Table 38.3**  
**Reliability**

<i>S.No.</i>	<i>Factor</i>	<i>Cronbach’s <math>\alpha</math></i>	<i>CR</i>	<i>AVE</i>
1.	Attractive	0.937	0.952	0.789
2.	Behavioral intention	0.940	0.954	0.807
3.	Differentiation	0.901	0.917	0.688
4.	Hedonic	0.979	0.983	0.920
5.	Reputation	0.939	0.954	0.804

In addition, Fornell-Larcker standard was used to secure discriminant validity. When the square root value of average variance extraction (AVE) is greater than the correlation coefficient, it is considered discriminant validity among variables. Table 38.4 shows the square root values in the diagonal lines and the correlation coefficient values among variables in the others. The greatest correlation coefficient among potential variables was 0.676 (attractiveness and reputation), and its determinant coefficient was 0.456 (0.676  $\times$  0.676). Since all AVE values of the potential variables were greater than 0.456 which is a determinant coefficient, this study can be considered to secure discriminant validity.

**Table 38.4**  
**Discriminant Validity**

<i>S.No.</i>	<i>Factor</i>	<i>A</i>	<i>B</i>	<i>D</i>	<i>H</i>	<i>R</i>
1.	Attractive	0.893				
2.	Behavioral intention	0.266	0.898			
3.	Differentiation	0.529	0.321	0.830		
4.	Hedonic	0.576	0.438	0.446	0.959	
5.	Reputation	0.676	0.448	0.661	0.478	0.897

## 5. RESULT

The average goodness of fit on the PLS structure model seeks to evaluate path analysis by each endogenous variable, which assesses R square values on the endogenous variable. According to one reference [15], the efficacies of R square values are defined as high (>0.26), middle (0.13-0.26), and low (0.02-0.13). The R square value of the research model is 0.292 to meet the standard of goodness of fit highly. To validate the hypothesis in this study, bootstrap resampling method of PLS is used upon three group samplings of the data.

**Table 38.5**  
**Full Model Results**

<i>S.No.</i>	<i>Group</i>	<i>Hypothesis</i>	<i>Path Coefficient</i>	<i>P-Value</i>
1.	K Group (Kakao story)	H1(HD)	0.369	0.005***
		H2(DFE)	-0.007	0.965
		H3(REP)	0.438	0.024***
		H4(ATT)	-0.239	0.202
2.	F Group (Facebook)	H1(HD)	0.280	0.018***
		H2(DFE)	0.323	0.000***
		H3(REP)	0.146	0.134
		H4(ATT)	0.087	0.513
3.	I Group (Instagram)	H1(HD)	0.370	0.045***
		H2(DFE)	-0.148	0.481
		H3(REP)	0.093	0.753
		H4(ATT)	0.164	0.452
		H4(ATT)	0.164	0.452

The results of the hypothesis test are in Table 38.5, demonstrating the differences among the positioning attributes in K, F, and I groups. K group users are shown to prioritize the attributes of hedonic factor and reputation, F group users to prioritize the attributes of hedonic factor and differentiation, and I group users to exhibit the attributes of hedonic factor significantly.

## 6. DISCUSSION

Upon the review of the positioning attributes among SNSP users of K, F, and I groups, joy and fun were shown to be important attributes to using SNSP without considering attractiveness. K group-preferred users considered reputation as an important attribute including the market position of the service provider, brand, and awareness level, while the F group-preferred users demonstrated to consider it as the differentiated SNSP based on services, special values, etc. compared to the other SNSPs. In consideration of non-preferred SNSPs of K and F group users, they showed similar patterns to Cyworld, Pinterest, and Twitter; however, mutual non-preferences on the other SNSPs were remarkable (Figure 38.3). I group users showed high non-preference to SNSPs of both K and F groups, while K and F group users showed low non-preference to the SNSP of I group (0.8% and 2%, respectively) as shown in Figure 38.3. The summary of the study results for SNSP and consumer positioning attributes are as follows:

First, SNSPs to be classified as preferred were to generate and share contents such as pictures and videos, and those to be classified as non-preferred were to share only the texts.



Second, the purposes of the past SNSPs were simply to connect and interact with people; however, the recently preferred SNSPs are to provide not only these but also joy and fun.

Third, it was found that it was important for the market leaders and consumers to feel they were provided by the differential services as the services were similar.

Lastly, further studies are required on the appropriate positioning attributes to SNSP besides the four attributes established in this study, especially the studies on the differences of preferences and non-preferences in similar SNSPs in each group (Instagram-Pinterest, Figure 38.3).

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