The Influential Factor of Financial Products in Social Network Environment

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Abstract. The ever-progressing development of social network and Internet finance has changed consumers’ perception and purchase decision of online financial products. Compared with traditional financial products, the online ones, originated from social networks with huge flow, present a wealth of information including both product and platform information, such as product recommendation, comments and purchase record. Consumers exchange useful information through social networks and changed their perceptions of financial products, thus affecting their choice and purchase. In this process, social capital plays an important role. Based on social capital theory, this paper explored the influence of social capital from different dimensions on users’ perceived benefit and perceived risk, thus affecting their decision. This paper collected data from 263 sample members who purchased financial products on WeChat, and adopted structural equation model to verify relevant hypothesis. The results reveal that perceived risk and perceived benefit in social network environment both have significant impacts on consumers’ purchase intention of financial products. The structural dimension of social capital has negative impacts on perceived benefit and slight impacts on perceived risk. The cognitive dimension of social capital has positive effects on perceived benefit and perceived risk. The relational dimension of social capital bears significant positive impacts on perceived benefit and significant negative impacts on perceived risk. The results of this paper provide favorable theoretical basis and practical value for the understanding of consumers’ willingness to purchase financial products in social network environment.

Introduction

With continued expansion of Internet user scale, prevalence of public financing and Internet technology boost, Internet finance shows a trend of platform, scenario and intelligence in China. By June 2017, China has 751 million Internet users, with an increase of 19.92 million new netizens in the first half year of 2017. The Internet penetration has reached 54.3% [1]. Meanwhile, some domestic financial products, such as Yu’e Bao and Baidu Baizhuan, realize the fragmented financing. These domestic financial products have the features of high yield, low purchase threshold, redeem-on-anytime, efficiency and transparency, which stimulates netizens’ investment passion. By June 2017, there are 126 million Chinese netizens who have purchased Internet finance products, up by 27.24 million over 2016. The utilization rate increased from 13.5% to 16.8% [2]. WeChat is a software focused on social connection and promoting in-depth connection between people-and-people, people-and-device, and people-and-society. It has constantly changed the way of social life and positively affecting China’s social transformation and upgrading. By 2017 Q2, WeChat has 963 million active users, with a year-on-year growth of 19.5% [3]. As to the number of friends, nearly half users have over 200 friends in their WeChat accounts. Most users have 5 new friends added each month. WeChat, as a social networking software (SNS), has transformed from acquaintance social to general social, which means that new friends are with different backgrounds. Meanwhile, there are 10 million emerging official accounts in WeChat. The massive user base
brings new opportunities for both China’s Internet industry and financial industry. The analysis and discussion on Internet financing product has become an emerging hot topic of finance in China.

Nowadays, researches on Internet finance mainly focused on feature analysis, risk and supervision. Few literatures shed their lights on micro subjects. Most researches on the influential factors of Internet financing products focused on profitability, security and investors’ behavior decision. However, from the perspective of investment selection behavior, we pay more attention to the mechanism deepened in consumers’ selection and usage in specific environments. In the context of social network, what influences social capital has on consumers’ product perception; how perceived benefits and perceived risks, the vital influential factors of consumers’ purchase intention for traditional financing products, impact in the Internet environment? Few studies have discussed the above questions.

To better understand the mechanism of consumers’ financing decision, this paper constructed a theoretical framework in the context of WeChat social network based on perceived benefits, perceived risks and social capital theory to discuss the influential factors of consumers’ purchase intention. This study aims to: (1) promote the crossing and integration of consumer behavior theory, behavioral financing, and ethical economics; (2) screen the highly-concerned factors of consumers in their purchase decision; (3) figure out the influential mechanism of consumption behavior; (4) provide guidance for Internet finance companies on product strategy planning; (5) and provide suggestions to financial regulatory departments and financial institutions to prevent and control financial risks.

**Literature Review**

The impact analysis of social-network-based financial products integrates the theory of social capital, perceived benefit and perceived risk. In social networking environment, social capital theory, from structural, relational and cognitive dimensions, exteriorly strengthens consumers’ perceived benefits and risks of Internet financial products. While perceived benefit and risk affect consumers’ purchase intention intrinsically.

**Financial Investment**

Internet finance provides diversified and customized financing services by integrating traditional financing and using advanced Internet technologies, such as cloud computing, big data, search engine etc. The selection of Internet financial product is a kind of financial investment behavior. For the researches on traditional financial investment behaviors, Markowitz (1952) firstly proposed that variance model can be used to study the impact of risk on investment selection [5]. Barber (2001) and Campbell (2006) introduced personal information (including gender, age, income, education and vocation) into the model to verify its influences on people’s investment combination [6,7]. Puri (2007) and Kubik (2004), from the perspective of behavioral finance, found that investors’ risk profile, psychological statuses, and social interactions all have important effects on their investment behaviors [8,9]. For Internet finance, Xia Xiaoqi applied Technology Acceptance Model (TAM) to study consumers’ consumption behavior of Internet financial products and constructed an influence factor model of the purchase and usage of Internet financial products. Xia’s model discussed the impact degree to which attitude, product innovation, purchase cost and national financial policies have on consumers’ purchase of Internet financial products [10]. In the study of Chinese consumers’ behavior for Internet financial products, Chen Xiaoxi found that most investors occasionally check the benefits of their investment and other products. He pointed out that income expectation plays a crucial role in investors’ decision making [11]. It can be seen that risk and benefit are the key point of behavioral finance research, affecting consumers’ investment intention and decision. Therefore, this paper, integrating previous studies and from the perspectives of external social capital and internal perceived risk and benefit, analyzed consumers’ purchase decision on Internet financial products in the context of WeChat.
Social Capital Theory

Social capital firstly appeared in the study of traditional communities, denoting the sum of all the actual and potential resources individual or society unit possessed in relational network. It has important effects on society function and continuance. Social network is regarded as a set of relationship connecting members through network [12]. Social relation is the core of social capital, facilitating coordination and cooperation among network members [13, 14].

Social capital stems from individual’s social structure, different from other material capitals [15]. In different subjects, social capital has various definitions. The French sociologist Bourdieu firstly defined social capital systematically from social network perspective that social capital is a collection of the actual and potential resources in a stable relational network, owned by all members and can be used by all members. Social capital is consisted of the size of social relations and the quantity and quality of capital. Coleman (1988), from the perspective of social capital functions, summarized it as the social structural resources owned by individuals. Based on Coleman’s view, social capital is composed of different entities instead of one simple entity, which constituted by certain parts of social structure and further promoting individual behaviors [15]. Nahapiet & Ghoshal (1998) pointed out from the perspective of organization that social capital is a multi-level structure consisted of structural, relational and cognitive dimensions. Structural dimension mainly manifests the overall relation model among community members, including the network connection between behaviors, network structure/form and available network organization. Relational dimension denotes the capital gained by creating relations or utilizing relation tools, including trust, norm and identity. Relational dimension emphasizes the special relations among behaviors in the network, such as respect and friendship, which will impact their specific behaviors. Through existing interpersonal relationship, members can satisfy their social motivations, such as communication, approval and reputation. Cognitive dimension, including the shared language and shared vision, indicates the resources owned by a community and can be used to present, explain and express community meanings [16].

WeChat is a virtual community focused on strong relations and complemented by weak relations. It has both circle-relation with high degree of reliability, loyalty, unity, reciprocity and self-interest among members, and also loosely organized social groups aimed for information flow and exchange. Users can share product information, exchange investment experiences through the function of “Moments” and “Official Account”. More sharing means more product/service information conveyed by trusty users and more easily to locate better products. Meanwhile, user groups can strengthen consumers’ product perception and impact their purchase intentions. Therefore, considering the features of WeChat, this research adopted Nahapiet and Ghoshal’s definition of social capital as it can represent the specific social capital resources of WeChat, a virtual community. The social capital of WeChat’s social group is defined that: WeChat users interact through symbols and words and establish trust, identity, reciprocity and sharing with each other via the function of “Moments” and “Official Account”. As to the three dimensions of social capital: (1) structural capital is the connection between WeChat users and favorable positions in the network; (2) relational capital is the interpersonal relationship WeChat users constructed through long-term interaction; (3) cognitive capital is the shared expression and value standards among WeChat users.

Perceived Risk

Most consumers are more accustomed to the traditional physical transaction model, instead of the non-face-to-face online transaction. In addition, for online transaction, the highly technological—and dependent—Internet increases transaction risks, bringing uncertain risk factors to consumers. Perceived risk, as a factor consumers continually concerned during consumption, has been the research keystone of individual behavioral decision. Therefore, this research takes perceived risk as the key factor impacting consumers’ purchase intention of Internet financial products.
American scholar Bauer (1960) from Harvard University first introduced perceived risk into the study of consumer behavior. He thinks that consumers, regardless of their initial or ongoing consumer behaviors, bear the risk of irreparable damage due to decision-making errors. He divides the perceived risk into two dimensions: (1) Uncertainty in decision results; (2) The severity of the consequences of wrong decisions [17]. Bauer thought that perceived risk presents the relationship between the possibility of loss caused by consumers’ decision error and the severity of the loss. Consumers decide the perceived risk through subjective decisions [17]. Cox (1967) defined the perceived risk as the extent to which a customer might perceive risks and risks before making a purchase decision [18]. Peter and Ryan (1976) defined perceived risk as a kind of subjective expected loss [19]. Grewal (1994) defined perceived risk as the expected degree of loss [20]. Featherman (2003) defined perceived risk as the possible loss when pursuing a desired result [21]. In the study of online shopping, Nena Lim (2003) pointed that perceived risk is the possibility of loss of goods or services by consumers in online shopping. She believes that perceived risk is a possible loss to consumers’ online purchases [22]. Based on the above literatures, this research defines perceived risk as: during the transaction of Internet financial products, consumers’ uncertainty of perceived transaction process and the expectation of the adverse consequences of decision error.

**Perceived Benefit**

Keller (1993) defines perceived benefit as the benefits of certain products perceived by consumers, representing the value customer expected [23]. In previous studies, perceived benefit has positive impacts on purchase intention. Lee and Turban (2001) think that perceived benefits directly or indirectly affect consumers’ attitudes and online purchase intention, which is an important factor impacting online transactions and driving online shopping behavior [24]. Bove (2000) believes that perceived benefit is the key factor influencing online purchase behavior. In the online transaction process, it will positively influence users’ behavior intention through attitude variables, and drive consumers to generate purchasing behavior [25]. Cho (2002) pointed out that perceived benefit drives users to buy online products [26]. In the context of Internet transaction, due to the virtuality of transaction process, consumers have no physical contacts to products and need to gain product information via other channels. The perceived benefit of product/services is established on virtual environment. Therefore, the product/service efficiency, time benefits and customer service of the platform have important effects on consumers’ perceived benefits.

**Research Model and Hypothesis**

**Social Capital Impact**

Based on social capital theory literatures, this research thought that in the virtual community of WeChat, social capital stems from and embed in WeChat, bringing information benefits and social supports to community members and the whole social community. It is the sum of the actual and potential resources that community members or the whole community can motivate via the platform of WeChat. This paper analyzed the social capital of WeChat community from three dimensions:

**Structural Dimension.** The financial product in WeChat community is a complex social structure, including many concurrent and diversified sub-groups, namely the different official accounts and sharing of financial products in user circles. These sub-groups are tightly inter-connected by the brand and features of certain financial product. But WeChat users simultaneously belong to several sub-groups, which shows the connectivity of WeChat social community. In WeChat groups, the connection between individuals through interaction is the major factor impacting group’s collective perception of the financial products. The centrality of individuals in the network has positive relations with their impacts in a relationship. The increase of centrality and impact brings individual more social capitals and at the meanwhile strengthens the interactive relations, which can improve the perceived benefit of financial products and lower perceived risk. Therefore, we proposed the following hypotheses:
H1a: The structural dimension of social capital has significant positive impact on perceived benefits.
H1b: The structural dimension of social capital has significant negative impact on perceived risks.

Relational Dimension. WeChat is a virtual community focused on strong relations and complemented by weak relations. It has both circle-relation with high degree of reliability, loyalty, unity, reciprocity and self-interest among members, and also loosely organized social groups aimed for information flow and exchange. Users can share product information, exchange investment experiences through the function of “Moments” and “Official Account”. More sharing means more product/service information conveyed by trustworthy users and more easily to locate better products. Meanwhile, user groups can strengthen consumers’ product perception and lower perceived risks of financial products. Therefore, the following hypotheses are proposed:
H2a: The relational dimension of social capital has significant positive impact on perceived benefits.
H2b: The relational dimension of social capital has significant negative impact on perceived risks.

Cognitive Dimension. The cognitive dimension of WeChat community’s social capital can facilitate members to raise constructive opinions and have thorough information sharing and communication, stimulating the generation of social group behaviors. In WeChat community, shared language and vision is the prerequisite of meaningful information exchange. Shared language strengthens the information sharing ability of group members. Shared vision is a major factor of group learning, facilitating members to share their financing and investment ideas and improving communication efficiency. This can improve members’ perceived benefits of Internet financial products and lower perceived risks, thus impacting their investment behaviors. Therefore, the following hypotheses are proposed:
H3a: The cognitive dimension of social capital has significant positive impact on perceived benefits.
H3b: The cognitive dimension of social capital has significant negative impact on perceived risks.

The Impact of Perceived Risks
Any financing and investment decision has risks. No matter what investment tools and forms, risks and benefits coexist. Internet financial products are in essence monetary fund or short-term financing funds. Although some products have low risks, they still have the probability of loss. As the transaction process is uncertain and the results are difficult to expect, consumers are very cautious in purchasing financial products online. They usually consider the adverse consequences or even losses caused by decision errors, which is the user perceived risks [27]. Luarn (2005) found that when consumers perceive that there are risks to their personal assets and privacy, their intention of purchasing Internet financial products will decrease [28]. Bill Doolin (2005) pointed out that risk is the major factor influencing users’ final behavior intentions and has significant negative impacts on behavior intention [29]. For Internet finance, consumers face both investment risks (including the credit risk of fund companies and funding liquidity risks) and financial risks (including account hacking and misoperation). Meanwhile, Internet financial products face various network and information technology issues, which causes security risks. Therefore, as an Internet financial product, the higher the risks it faces in different grades, the lower the consumers’ investment and purchase intention is. Therefore, we proposed that:
H4: Perceived risks have significant negative impact on consumers’ purchase intention of Internet finance.

Impact of Perceived Benefits
The aim of consumers to invest in Internet financial products is to gain benefits. Therefore, the income index is what consumers care most. Product design of Internet financial products decides its profitability to a large extent. Therefore, product design has significant impact on consumers’
purchase intention. High profitability is always an important factor attracting consumers. If Internet financial products can satisfy users’ benefit needs, and provide high product/service efficiency, users’ purchase intention will increase. Cho believes that the combined benefits of a product/service to consumers affect their adoption of products [26]. Boris (2004) has studied the relationship between perceived benefits and purchase intention with service industry as the research target. He found that the comprehensive benefits provided by product/services can positively impact consumers’ purchase intention [30]. Therefore, we proposed that:

H5: Perceived benefits have significant positive impact on consumers’ purchase intention of Internet financial products.

The influential factor model of Internet financing product is shown in Figure 1.

![Research Model](image)

**Figure 1. Research model.**

**Research Methods**

The study conducted a survey on individuals to validate the proposed model. This research was conducted through online questionnaires. The participants are most enterprise staffs (83.27%), although some professional participants (teacher/Doctor/reporter/lawyer) are also attracted.

**Instrument Development**

This study developed a questionnaire, using a 5-point Likert-scale from 1 = Strongly disagree to 5 = Strongly agree. The items in the questionnaire were adopted from previous researches to increase study validity. Social capital, one of the key constructs of the model, has been investigated in many previous research papers. In this research, social capital carries on the analysis and research to consumer behavior through three dimensions in online communities (The structural dimension was measured by the interaction and frequency of members’ interaction on social platform. The relational dimension measures individuals’ shared credible information, knowledge and experience about financial products through WeChat’s circles and subscriptions, ratings, reviews and recommendations. The cognitive dimension measures members’ common interests and similar information needs about online financial products.) In this study, the Perceived benefit and Perceived risk constructs were formed with indicators that reflect different types of benefits (i.e., the liquidity of financial products, yield and maintain and increase the value of assets) and risks (i.e., product risk, financial risk, and privacy risk) respectively. The dependent variable of this research is purchase intention. This construct measures user’s willingness to buy online financial products on SNSs.

**Data Collection**

We collected data from https://www.sojump.com by Sojump, a survey platform. The questionnaire was distributed in China. We also developed an online questionnaire and invited participation through WeChat. The target individuals were buyers of online financial products (i.e., bank’s online financial products, Ali Finance and Jingdong Finance) through WeChat. We excluded non-member
participants. A total of 300 online questionnaires offered 263 usable questionnaires for use. Participants ranged from 18 to 50 years old: 45.63% men and 54.37% women.

Data Analyses and Result

A component-based approach using partial least squares (PLS)-structural equation modeling (SEM) was used to analyze the data. SEM is a popular approach in social science [31, 32]. In SEM, we used the partial least square method (PLS) – a good way of managing complex data in a low-structure situation [33]. PLS is very appropriate when theoretical information is low [34], as in the areas of social commerce. To test the proposed research model, data analyses for both the measurement model and structural model were performed using Partial Least Squares (PLS). We used PLS-Graph 3.0 with bootstrapping [35, 36]. PLS analyzes structural equation models, including measurement and structural models with multi-item variables that contain direct, indirect, and interaction effects [37].

Reliability. The composite reliability, which should exceed 0.70, has been applied to test the reliability of the survey [38]. The results indicate internal consistencies as the rate is above 0.70. These results ensure the reliability of the research [39]. An overview of the quality criteria is shown in Table 1.

Table 1. Overview of quality criteria.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>AVE</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase intention</td>
<td>0.598</td>
<td>0.817</td>
</tr>
<tr>
<td>Perceived benefit</td>
<td>0.587</td>
<td>0.809</td>
</tr>
<tr>
<td>Perceived risk</td>
<td>0.738</td>
<td>0.894</td>
</tr>
<tr>
<td>Structural dimension</td>
<td>0.668</td>
<td>0.889</td>
</tr>
<tr>
<td>Relational dimension</td>
<td>0.574</td>
<td>0.802</td>
</tr>
<tr>
<td>Cognitive dimension</td>
<td>0.666</td>
<td>0.798</td>
</tr>
</tbody>
</table>

Validity. This research tests the validity through both content validity and construct validity. In content validity, this study has checked face validity by asking scholars to check the questionnaire items. Recommendations by these have been considered. The research has also covered a substantial literature review [40, 41]. Social capital, perceived risk, perceived benefit and purchase intention are constructs that have frequently been used in economics, sociology and behavioral organization theory, and the questionnaire items were adopted from the existing literatures, which increases the content validity of this research. Convergent validity can be ensured by assessing discriminant and convergent validity [42]. The average variance extracted (AVE) is a criterion to measure convergent validity and should be more than 0.50 [43, 44]. AVE is a good test of convergent validity. Table 1 shows the results of AVE. For the discriminant validity, PLS is a good way to ensure the extent to which a given construct of the model is different from other constructs [44]. The square of the correlations among the variables has been compared with the AVE to assess the discriminant validity [42]. Table 2 shows the square of correlation between latent variables, ensuring the research’s discriminant validity.
Table 2. Fornell-Larcker and Criterion Cross loadings.

<table>
<thead>
<tr>
<th>Cognitive dimension</th>
<th>Perceived benefit</th>
<th>Purchase intention</th>
<th>Relational dimension</th>
<th>Perceived risk</th>
<th>Structural dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive dimension</td>
<td>0.861</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived benefit</td>
<td>0.320</td>
<td>0.776</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase intention</td>
<td>0.401</td>
<td>0.645</td>
<td>0.773</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational dimension</td>
<td>0.624</td>
<td>0.454</td>
<td>0.580</td>
<td>0.758</td>
<td></td>
</tr>
<tr>
<td>Perceived risk</td>
<td>-0.145</td>
<td>-0.285</td>
<td>-0.352</td>
<td>-0.372</td>
<td>0.859</td>
</tr>
<tr>
<td>Structural dimension</td>
<td>0.628</td>
<td>0.161</td>
<td>0.282</td>
<td>0.579</td>
<td>-0.162</td>
</tr>
</tbody>
</table>

| CD1 | 0.882 | 0.308 | 0.365 | 0.557 | -0.121 |
| CD2 | 0.744 | 0.203 | 0.282 | 0.456 | -0.118 |
| PB1 | 0.247 | 0.727 | 0.460 | 0.331 | -0.226 |
| PB2 | 0.338 | 0.814 | 0.521 | 0.445 | -0.258 |
| PB3 | 0.133 | 0.754 | 0.502 | 0.250 | -0.164 |
| PI1 | 0.350 | 0.492 | 0.753 | 0.454 | -0.260 |
| PI2 | 0.278 | 0.541 | 0.774 | 0.439 | -0.258 |
| PI3 | 0.305 | 0.457 | 0.792 | 0.453 | -0.301 |
| RD1 | 0.523 | 0.340 | 0.424 | 0.747 | -0.298 |
| RD2 | 0.483 | 0.398 | 0.420 | 0.783 | -0.274 |
| RD3 | 0.406 | 0.286 | 0.484 | 0.743 | -0.275 |
| PR1 | -0.162 | -0.180 | -0.287 | -0.343 | 0.856 |
| PR2 | -0.090 | -0.253 | -0.305 | -0.298 | 0.831 |
| PR3 | -0.122 | -0.300 | -0.316 | -0.318 | 0.890 |
| SD1 | 0.523 | 0.169 | 0.255 | 0.507 | -0.147 |
| SD2 | 0.542 | 0.138 | 0.234 | 0.470 | -0.121 |
| SD3 | 0.414 | -0.056 | 0.108 | 0.365 | -0.129 |
| SD4 | 0.544 | 0.144 | 0.251 | 0.505 | -0.139 |

Notes: CD = cognitive dimension; PB = perceived benefit; PI= purchase intention; RD = relational dimension; PR= perceived risk; SD=structural dimension

Finally, examining the factor loadings of each indicator gives a two-fold result for convergent validity and discriminant validity [44]. This has been achieved by looking at factor loadings of an indicator, which should be greater than the construct of it than on any other factor [42, 44]. The cross-loading is presented in Table 2, which shows that the factor loading of all indicators is greater than the construct of them on any other factors. Therefore, the validity of the research has been achieved to a satisfactory level.

Structural Model. For data analysis, this study used SmartPLS3.0 software [45]. The validity of the research model is assessed by the structural paths and R2s [46]. The path coefficients in the research model are positively significant at the 0.05 level. According to the results (shown in Fig. 2), the R2 of purchase intention shows that almost 45% of the variance in the purchase intention was accounted for by perceived benefit and perceived risk. This means that purchase intention was affected by perceived benefit and perceived risk. The R2 for perceived benefit means that almost 24% of the variance in perceived benefit was accounted for by social capital. In addition, the R2 for perceived risk means that almost 15% of the variance in this construct was accounted for by social capital.

The results of path coefficients show that perceived benefit and perceived risk both have significant impact on purchase intention. Therefore, H4 and H5 are supported. The effect of
perceived benefit on purchase intention is higher than perceived risk. This result shows that the perceived usefulness of a website encourages consumers to buy. Structure dimension has a negative effect on perceived benefit and has little effect on perceived risk. Hence, H1a and H2a are not supported. Cognitive dimension has a positive effect on perceived benefit and perceived risk. The result support H3a but H3b is not supported. Finally, relational dimension has a significant effect on perceived benefit and perceived risk. Therefore, the results support H2a and H2b. Figure 2 shows the P-value of constructs.

![Figure 2. Results of the PLS analysis](image)

**Conclusion & Prospect**

**Conclusions**

This paper investigates the influential factors of financial product’s purchase intention in social network environment by virtue of social capital theory, perceived benefit and perceived risk, and draws the following conclusions:

1. Perceived risk and perceived benefit both have a significant impact on consumers’ intention to purchase financial products in the social network environment. Specifically, the influence of perceived benefit on purchase intention is higher than that of perceived risk. The regression coefficient of perceived benefit to purchase intention is 0.593, and the significance level p < 0.01; while the regression coefficient of perceived risk is -0.183, and the significance level p < 0.01. Therefore, the results demonstrate that perceived benefit is the major factor influencing consumers’ purchase intention of online financial products.

2. The structural dimension of social capital has negative effects on perceived benefit and slight effects on perceived risk, indicating that interaction frequency and concentration of members in WeChat community will not reduce consumers’ perceived risk of online financial products. Instead, it will reduce their perceived benefit. In other words, if consumers in WeChat community frequently communicate with other members, they intend to visit multiple virtual communities based on interactive views to obtain more financial information and test the quality of the interactive information generated. As a result, frequent interactions will intensify search frequency, making members tired of interaction, and then perceived benefit decline. Meanwhile, opinion leaders or information guides in virtual communities may not weaken members’ perceived risk, as community members collects financial information for obtaining differing views. With all accounts taken, it will not weaken consumers’ perceived risk of financial products.

3. The cognitive dimension of social capital has positive effects on both perceived benefit and perceived risk, revealing that communications among members in WeChat communities will increase because of their common interests and similar product information needs, hereby enhancing users’ satisfaction of products and services during interaction. Shared vision reflects
users’ values and purposes, and the higher the shared vision is, the more common topics users will have. This will intensify interactions, entail closer relations, and increase users’ satisfaction, thus bearing positive effect on users’ perceived benefit. At the same time, common purpose, information and language will enhance members’ perceived risk, indicating that members will become more cautious about product information and market trend after interaction, and will develop risk awareness, hereby promoting rational investment and the healthy development of Internet finance.

(4) The relational dimension of social capital has significant positive impacts on perceived benefit and significant negative impacts on perceived risk. In WeChat financial community, with the increase of community members’ experience and establishment of social trust, their heterogeneity with the community becomes smaller and homogeneity greater. Weak relations gradually changes into strong ones. Community members require more emotional values, such as social support and relations, and start sharing information rather than simply ask for information. The more they share, the higher their perceived benefit is, which will guide them to continue sharing in emotions, cognitions and behaviors. When members are in persistent relational networks, these networks formed by familiar members will become real or potential resources. Interactions between members of strong relations will arouse their value perceptions of online financial products, including common interests to pursue, topics and investment experience to share, information to obtain from other investors by observation, and cooperation or repeated contacts. Then perceived benefit will be maximized and perceived risk reduced through internalized process.

Revelations

Through above exploration, we can get some meaningful revelations in how to improve consumers’ purchase intention of online financial products.

(1) To stimulate superficially-involved community members and promote deep exchanges

This study shows community members’ behavioral characteristics concerning investment and financing on WeChat. Specifically, most members of WeChat circle are interacting superficially, i.e. they simply express their attitudes by forwarding or commenting, without deep interactions and ideological collisions. This will wear down their interests gradually and make them quit. Therefore, we can explore and share the latest financial information in WeChat community for discussion, creating and guiding deep communications, so that superficially-involved members can feel the value of WeChat community, and maintain more strong relations to become deeply-involved members.

(2) To produce common language and increase communication efficiency

Our research concludes that cognitive capital has positive effects on members’ perceived benefit. Common languages and value standards can promote members’ financial information sharing. Community members use a wide variety of symbols and languages, and they will exert influence on each other over time to form a relatively mature network language and intensify communication frequency. Then, operators can play a guiding role in establishing communication standards and forms, promoting community members’ understanding of shared financial information and willingness to participate in the interaction, hereby improving communication efficiency and users’ satisfaction. Consequently, frequent information exchange promotes members’ perception of online financial products, hence enhancing their purchase intention.

(3) To establish themes and create shared value

This study reveals that cognitive capital and relational capital have a positive impact on members’ perceived benefit, and shared vision facilitates community members’ exchanges. Information sharing is one of the dominant reasons for users to interact with each other in WeChat community, thus operators can build plates of differing themes to attract like-minded members and accumulate certain financial information resources to form a huge database. Various ways shall be conducted to encourage members to deepen discussion and sharing, and work together for the common goal. When it is recognized by members and they are willing to contribute, they will be more satisfied and their perceptions toward online financial products strengthened, improving users’ purchase frequency and stickiness.
Limitations

Although meaningful results are recorded in this study, limitations still exist due to privacy protection, data collection difficulty and personal reasons.

(1) Inadequate samples and lack of representation

In this study, a total of 300 questionnaires were collected, of which 263 were valid. Although the amount meets the basic requirements of structural equation analysis, it is still inadequate for the whole WeChat financial community and there is a certain gap compared with large sample. We adopted convenience sampling and distributed questionnaires in Sojump for online survey. The sample objects are mainly students and employees, half of which are from Guangzhou Province. The samples are too concentrated to fully represent the community as a whole.

(2) Lack of depth

We analyzed consumers’ intention to buy financial products in social network environment, and comprehensively considered various factors, yet detailed exploration is absent; for example, we didn’t refine perceived risk and perceived benefit through measurement to overcome the subjectivity of survey respondents. Besides, the regulatory role of network externality for members’ perceptions due to different relationship strength in social network environment is also not considered.

Future Direction

The above defects also serve as guides for future research, the following contents will be further studied:

(1) Adopt herd effect to analyze community members’ subjective intentions in group interaction, highlight the influence of group psychology of investors on perceived risk and perceived benefit of financial products in social network environment, and deeply understand the influencing factors for consumers’ purchase intention.

(2) Quantify perceived benefit and perceived risk in the model by econometrics, and conduct quantitative analysis by the second-hand data collected from WeChat community to overcome the subjectivity of questionnaire objects and make the research more scientific and rational.

(3) Based on different relation strength of community members, network externalities are introduced as regulatory variable to regulate community members’ perceptions of online financial products based on the practical interactive data, making the research results more universal and practical.

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References


