

E – COMMERCE

NAME OF THE CHAPTER : SOCIAL COMMERCE

SEMESTER : SECOND

MARKS ALLOTTED TO THIS CHAPTER: 6 MARKS

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SOCIAL COMMERCE

Definition of Social Commerce

“a subset of electronic commerce that involves using social media, online media that supports social interaction and user contributions, to assist in the online buying and selling of products and services.”

Two types :

- **Social Media on E-Commerce Platforms:**
“Helping people connect where they buy”.
- **E-Commerce on social media platforms:**
“Helping connected people to buy where they connect”.

We will focus on E-Commerce within Social Networks (or deeply integrated to them).



What is Social Commerce?

Social Commerce is a subset of electronic commerce that involves using:

- Social media that supports social interaction
- User contributions to assist in the online buying and selling of products and services.

The 6 C's of Social Commerce



The reason of being for social commerce is **the belief that customers trust one retailer over another when either of them is recommended by others.**

Examples of social commerce:

- Customer ratings and reviews,
- User recommendations and referrals,
- Social shopping tools (sharing the act of shopping online),
- Forums and communities,
- Social media optimization,
- Social applications and social advertising.

Social Commerce Context

Examples

Facebook

- Post your ratings and reviews to your Facebook profile

RSS Feeds

- Publish reviews through an RSS feed

Shopping Portals

- Syndicate ratings and reviews to shopping portals

Videos

- Upload video and photos to your reviews

Tags

- Add tag-based pros and cons to your ratings

Features of Social Commerce

- ▶ Ratings and reviews for the products and services by users
- ▶ recommendation technology features
- ▶ get product recommendations based on their own interests, preferences
- ▶ Customers likely to check online for reviews prior to making a purchase
- ▶ networked users generate new ideas, advertise, and create added value at virtually no cost
- ▶ increasing efficiency by understanding customer needs, identifying potential customers & building customer loyalty
 - ▶ Ex: Volkswagen launched an ad campaign using YouTube, focusing on ecological concerns
 - ▶ Volkswagen utilizes these ideas and incorporates it
- ▶ Facebook 'Like' Button on the product's web page
- ▶ Better Understanding of the Consumer's behavior
- ▶ Instant Personalization of the user experience
- ▶ Brand Growth

No.	Characteristics	Explanations
1.	Interaction	Allows two ways communication between consumers, business or groups during the purchasing process.
2.	Collaboration	Promotes co-create value by generating valuable content.
3.	Community	Harness environment that establish connection between consumers with mutual interest that supports each other.
4.	Commercial	Engage participants with purchasing services, product promotions, and facilitate business functions and transaction.
5	Social-enabled technology	Technical aspects that supports online shopping experiences for conducting and supporting social shopping and commercial activities.

Benefits of Social Commerce

TABLE 8.2 Potential Benefits of Social Commerce

Benefits to Customers

- Better and faster vendor responses to complaints, because customers can air their complaints in public (on Twitter, Facebook, and YouTube) and because of crowdsourcing complaints
- Customers can assist other customers (e.g., in online forums)
- Customers' expectations can be met more fully and quickly
- Customers can easily search, link, chat, and buy while staying on a social network's page

Benefits to Businesses

- Can test new products and ideas quickly and inexpensively
- Learn a lot about their customers
- Identify problems quickly and alleviate customer anger
- Learn about customers' experiences via rapid feedback
- Increase sales when customers discuss products positively on social network site
- Create better marketing campaigns and brand awareness
- Use low-cost user-generated content, for example, in marketing campaigns
- Get free advertising through viral marketing
- Identify influential brand advocates and reward them

-Limitation of social commerce

1. Locality limitations(Focusing on urban)
2. Difficulties of realization of the market expansion
3. Question that if achieved sustainable business model
4. Service Provider's monotonous promotional marketing system
5. Excessive competition between companies→Can be ignored by customers and partners

Thank
you!