

Social Commerce in E-Business: Challenges and Guidelines for Successful Adoption

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Abstract— in recent years, social commerce which utilizes social and online media to aid E-commerce activities has gained major attention in E-business world. Social commerce is proven to affect the companies' business positively when integrated into existing E-business models. The rise of Web 2.0 technology and the boom of social networking sites also suggest the possibilities and potentials of adopting social commerce in E-business. This paper aims to explore the challenges associated with social commerce and strategies to have a successful adoption. Several related and well described frameworks, tips and guides have been studied to formulate a general guideline to increase the success rate of social commerce adoption in E-business. This paper serves as an overview to companies who are interested in adopting social commerce into their existing business.

Keywords- *E-business, E-Commerce, social commerce, social media*

I. INTRODUCTION

Following the success of various social networking sites like Facebook and Twitter, social commerce is now the new buzz in E-business. It influences the way E-commerce activities are carried out and encourages content contribution from users more than ever.

The term "social commerce" is defined in many different ways. Stephen and Toubia describe it as a form of Internet-based social media that connects sellers, allowing them to participate actively in marketing and selling of product and services [1]. They refer independent individuals as sellers instead of companies. According to Chen et al, social commerce is rather a part of E-commerce that uses social media to support interaction between business and consumers [2]. While in the work of Kwahk and Ge, social commerce is defined as the subset of E-commerce which exploits the use of social and online media to support social interaction and content contribution of users to assist in E-commerce activities

[3]. For instance, comments, reviews and ratings section. From these definitions, it can be summarized that there are two key aspects in social commerce – the usage of social media and the involvement of sellers and consumers.

Social media can be interpreted as a set of tools that is built on the conceptual and technological foundations of Web 2.0, which enables users to create and exchange content [4]. This includes virtual communities, forums, discussion boards, microblogs, wikis, pictures or video sharing, social networking sites, social bookmarking, mashups and product reviews [3, 5]. On the other hand, involvement of sellers and consumers means both sellers and consumers participate in generating content and interacting with each other during trading. These activities are conducted using social media.

Companies can actually benefit a lot from adopting social commerce in their businesses, particularly in customer relationship management. For example, by setting up a company page in Facebook, they can communicate with customer directly regardless geographical boundaries and time constraints. It also enables companies to response quickly to complaint and thus increases customers' trust and loyalty. Besides that, social commerce also helps to disseminate information to a broader audience in a shorter time and lower cost. Differ from traditional information medium like television and print media, social media reach out to potential customers in the form of electronic word of mouth (eWOM). For example, a company tweets the latest product promotion. Interested customers will then re-tweet it, creating a cascading effect to spread news about the promotion. This also leads to a targeted advertisement strategy with better accuracy [2, 6].

Social commerce also empowers customers. Customers can search for other customers' reviews and comments before purchasing a product or service. This leads to a better and informed decision. Apart from that, social commerce also identifies new business opportunities and ideas. For example, Starbucks' Mystarbucksidea.com provides a platform