Chapter 26
Social Commerce Using Social Network and E-Commerce

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ABSTRACT

While traditional e-commerce supports the transactional and informational aspects of online shopping, social commerce fulfils the social aspects of shopping. Combining the advantages offered by social networking and e-commerce, it is possible to create a web business platform to generate and increase revenue by turning web visitors into customers. Social commerce involves social media and user contributions to assist in the online buying and selling of products and services to design and deliver better customer experiences with the help of technology. This chapter compares some technologies that can help define social commerce and social networking; it also discusses background, knowledge, challenges, and critical factors necessary for successful social commerce business. Future trends are illustrated.

INTRODUCTION

Social network is an online media that supports social interaction in real life. E-commerce regards buying and selling of products or services conducted over internet and other computer networks. While traditional E-commerce supports the transactional and informational aspects of online shopping, Social Commerce fulfils the social aspects of shopping. Combining the advantages offered by social network and e-commerce, it is possible to create a web business platform to generate and increase revenue by turning web visitors into customers. Social Commerce involves social media and user contributions to assist in the online buying and selling of products and services, to design and deliver better customer experiences with the help of technology. This chapter describes some technologies that can help define Social Commerce, it also discusses background, knowledge, challenges and critical factors necessary for successful business. Future trend are described.

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BACKGROUND

Social Network is a social structure composed of individuals, organizations, company etc. which are connected by relationships and interactions. Web-based social networks are online communities that allow users to publish resources (personal data, photo, video, blog) and to establish relationships of a different type about business, entertainment, gaming, dating, etc. Usage and diffusion of social networking platform has been increasing, with hundreds web platforms in the world collecting the information of more than one billion registered users. Therefore, today social networks are used intensely to communicate, share information, make decisions, and do business in many ways. Well-known social networking websites are: Facebook as generic social network, LinkedIn and Viadeo as business social network, Flickr about photo sharing and Google+ as solution from Google search engine. Thus, online social network is a relevant part of human life (Fu, Chen, Liu, & Wang, 2007; Goth, 2008) and it is truly the reflection of today's society.

Consumers generally want to ask their friends or experts about a shopping decision or want to share their new purchase with friends; therefore, conversations regarding shopping happen all the time. Consumers generally are communicating with each other via social network. For selling message and open up new sales opportunities, it is necessary to resound with customers and to take advantage of their social network channels by interacting with them, in order to send business messages to customers and their friends.

Electronic commerce, commonly known as e-commerce or eCommerce, is a type of industry where the buying and selling of products or services is conducted over electronic systems such as internet and other computer networks. E-commerce is not only limited to online sales, but also covers: real-time management of product availability, online payment, delivery tracking and after-sales service. E-commerce sites are online stores which have at least the following elements at the front-office (customer) level:

- Electronic catalog listing all products for sale, price and availability;
- Search engine to easily locate a product using search criteria;
- Virtual cart, to trace the purchases of the client along the shopping path;
- Secure online payment via secure transaction;
- Order tracking system.

A back-office system allows the online dealer to organize electronic catalog, modify prices, add or remove product, handle client orders.

SOCIAL COMMERCE AND SOCIAL SHOPPING

Social Commerce is a subset of e-commerce that involves using social media, to connect, listen, understand, and engage people to improve the user shopping experience and to assist in the online buying and selling of products and services. In other words, these applications merge online shopping and social networking (Tedeschi 2006). The social commerce website are sites designed specifically to support social interactions while online consumers shop.

This is the latest solution to a chronic problem for online retailers and shoppers: many shoppers aren't sure what to buy, but they know they won't find it on the sites of mainstream retailers (Tedeschi, 2006).

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