

Chapter 13

Challenges and Opportunities for the Social Commerce: The MO Case

Ana Cristina Correia Meireles


ISCAP, Polytechnic of Porto, Portugal

Ana Maria Lima

 <https://orcid.org/0000-0003-0827-392X>

ISCAP, Polytechnic of Porto, Portugal

Jorge Remondes

 <https://orcid.org/0000-0002-5259-4379>

ISCAP, Polytechnic of Porto, Portugal

ABSTRACT

A new digital marketing trend is emerging, leveraged very much in part by the COVID-19 pandemic, which has accelerated and completely changed the e-commerce landscape, perhaps more than at any other time in history: social commerce. Online sales are no longer made solely and exclusively through online shops or e-commerce platforms but are now possible from social networks, which feature increasingly integrated and native shopping features, and features that leverage social commerce. Thus, a better understanding of this phenomenon becomes necessary, the emerging trends of the markets where this is already a reality, as well as the features that the big social commerce players contain, which this study sought to answer. Additionally, good practices likely to apply to business were identified. The present study, which used a qualitative methodology with recourse to the narrative literature review, reports and analysis of social networks, and direct observation of contents, results in a concrete proposal to boost the sales of companies on social networks.

INTRODUCTION

Social networks are among the main information and communication platforms made available by the *Internet*, and their expansion has been abrupt in recent years. As explained by Tilley and Eley (2009, p. 80), “social media is more than a fad; it is here to stay. The reason is quite simple: people like to connect with other people”.

Kotler and Armstrong (2015) state that “the technology explosion is providing new and exciting opportunities for businesses.” (p. 26). Social networks present themselves as one of these opportunities since they are part of the daily lives of virtually the entire population, and even the less assiduous users recognize the immensity of the content available there. Given its importance and constant growth, brands increasingly use these platforms to promote their products, services, and value proposition.

Additionally, its use has increased exponentially in recent years. According to the DataReportal (2021), there are about 4.48 billion active social media users, which makes up more than half the world currently using social media and a 24.7% increase over the same period last year. When it comes to reasons for using them, 27.5% of users say it is where they find inspiration for making and buying and 26.1% for finding products and purchasing them. Since consumer interactions on these platforms can create a social environment conducive to *online* shopping (Huang & Benyoucef, 2013), it is natural that following their growing popularity in recent decades, there have been structural changes in these platforms, which are adjusted in the features and tools that offer users and businesses, and that have been facilitating the relationship between customer and company. Features that assist the sale and management of *online* businesses and the dissemination of products are some examples of factors that have enabled the emergence of so-called *social commerce*.

Strongly based on social networks and the relationship between people, *social commerce* makes use of this power of connection in business relationships (Shen, 2012). It can be said that its fundamental reason is social (Marsden, 2010) as it interconnects people in *online* shopping, and allows buying on the platforms where they are interconnected (Shadkam & O’Hara, 2013).

This is a true phenomenon on the rise, with the number of *social shoppers* in the United States of America (US) growing by 25.2% in 2020 alone, reaching 80.1 million (Phaneuf, 2021). However, when it comes to Portugal, research is limited. Considering this problem, associated with the fact that most *social commerce* resources on social networks are, for now, only available in a few geographies (mainly USA and China), this study is developed to detect best practices, challenges, and opportunities that enhance the use of social networks in the *social commerce* strategy.

This chapter is structured into two parts. In the first part, the literature review is developed to create a grounded theoretical and contextual support based on the state of the art of *social commerce*. A characterization of the *social commerce* phenomenon was carried out, highlighting the sector’s importance. In the second part, the methodology used is exposed and empirical research based on content analysis and a case study of the MO is carried out, as well as a proposal to sell on social networks to answer the research problem: “How to start using *social commerce* in the business, boosting *online* sales through social networks? Finally, the main conclusions, limitations, and proposals for future studies are presented.

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