

# Chapter 7

## Social Shopping Development and Perspectives

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### **ABSTRACT**

*“Social shopping” (or social commerce), combining shopping and social networking, is an application of Web 2.0 in electronic commerce to benefit from users’ social networks. This paper explores the development of the emergent “social shopping” and related perspectives. It incorporates comparisons between social shopping marketing and search engine marketing. For example, search engine marketing assumes shoppers are certain of their shopping goal; social shopping marketing assumes shoppers are uncertain of their shopping goals and gather shopping ideas from their peers. In this paper, the challenges in social shopping development are identified, including governing shopper communities and retrieving content from social networking sites. The author concludes that social shopping and e-commerce are not dichotomous concepts. Social shopping can be an evolutionary concept, meaning a singular EC site advancing with social networking functions, or a synergistic concept, meaning EC sites connecting with the other social networking sites to form strategic alliance.*

### **INTRODUCTION**

The interactive features of Web 2.0 and the pervasion of social media (also called social network media) like MySpace and Facebook have provided many commercial interests. Take MySpace as example. The number of profiles hosted on

MySpace was over 106 million (O’Malley, 2006). According to Jupiter Internet Shopping Model, US online population estimated to increase to 211 million by 2006, and the online retail sales estimated to reach \$112.5 billion in 2006. At the end of August in 2006, MySpace accounted for 2.53% of all visits to e-commerce sites and 4.88%

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of visits to all websites (O'Malley, 2006). It generates more traffic to shopping sites than MSN, and was ahead of eBay, Amazon, Gateway and Wal-Mart (O'Malley, 2006). Although social media's e-commerce efforts and business models are still immature, its potential is deemed promising and Wall Street recognizes its ability to transform market. Therefore, practitioners are eager to turn MySpace into a lucrative marketplace. Amazon and eBay, for example, have been in the vanguard to tap the commercial potential of MySpace and Facebook (Birchall, 2008).

Out of the commercial potential of social media, the term "social shopping" (also called "social commerce") is crafted to describe the combination of shopping and social networking activities through social media online. It is also viewed as a new category of e-commerce which is called 'social commerce' at the birth of a "referral economy" after 2005 (Harkin, 2007). The development and pervasion of social networks and social media continues. In 2010, we see 30 billion pieces of content shared on Facebook per month, 25 billion shared on Twitter, and 152 million blogs showing online in 2010 ("Internet 2010 in Numbers", 2010). Consequently, the commercial potential of social networks and social media (i.e., social shopping or social commerce) continues to attract attentions. Social commerce has paved it way through the hard time and begins to generate profits, however, it still faces several challenges and unsolved issues (Wang, 2009; Wang & Zhang, in press). Therefore, this emerging terrain provides many opportunities for both the researchers and the practitioners. As such, it is important to generate a holistic understanding to harness the potential of social media and social networking sites in the domain of social commerce.

Sorting into the trade literature, this paper attempts to explore the development of the emergent phenomenon of "social shopping" and identify perspectives on social shopping. Comparison of social shopping marketing and search engine marketing is incorporated in the discussion. To conclude on the accumulated trade literature, social

commerce and e-commerce are not dichotomous. Rather, social commerce is an evolution advanced from e-commerce.

## **SOCIAL SHOPPING IN THE PAST**

A search through the literature found that the term "social shopping" is not novel. It is interesting to note that the concept of "social shopping" in the earlier literature is by no mean delineated in online setting as the newly literature after 2005 in the domain of e-commerce does. Rather, earlier literature bounded the concept of social shopping in an offline (or non-IT-mediated), face-to-face setting.

In an empirical study by Marshall and Heslop (1988), "social shopping orientation" along with "convenience shopping orientation" were used as predictors of consumers' use of self-service technology (i.e., automated teller machines). In their research, a predisposition to face-to-face personal interaction was viewed as the characteristic of social shopping orientation. Convenience shopping orientation, on the other hand, is characterized by technology-mediated feature. Their findings suggested that shoppers with a social shopping orientation do not perceive using self-service technology as advantageous while shoppers with a convenience orientation do. Their views and suggestions implied that users with social shopping orientation may be less favorable to the use of new technology that was viewed as lacking a personal interaction characteristic then.

Likewise, Tauber in an empirical study in 1995 differentiated "social shopping motives" from "personal shopping motives". According to Tauber (1995), social shopping motives include social experiences *outside the home*, communication with others, peer group attraction, status and authority, and pleasure of bargaining. These motives are different from personal shopping motives that emphasize more on self-gratification, role playing, diversion, learning about new trends, physical activity and sensory stimulation. Obvi-

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