Social commerce and its solutions to E-commerce issues-An Overview

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Abstract-E-commerce is a new and rapidly developing area of study in India and abroad given the exponential growth of it in every sector of the market. But at the same time there are numerous challenges associated with it which hamper its full potential growth. Consequently there are solutions provided by the companies to eradicate these problems. A part of these solutions is the social commerce or the s-commerce, in which the companies through social presence extract data from the existing and/or prospective consumers. This data ranges from getting feedback about the issues faced, goes through product reviews by real customers, and to future expectations of customers from the company. This way a huge amount of data is generated which is rich in vital information to both the consumer and the company. To get useful inferences out of this data we can apply data mining tools and consequently get an in-depth insight as to the thought process of consumers. By knowing this the companies can continue or re-adjust their existing practices to gain consumer trust and flourish further in the competitive market.

Key words: E-commerce, Social commerce.

I. E-COMMERCE

It is a new and rapidly developing area of study in India and abroad given the exponential growth of e-commerce in every sector of the market. As all businesses these days are making their mark on internet to reach maximum number of customers, expanding business and generating larger revenues. And customers expect an error free service in this competitive world. Patel, Divekar [1]

Several challenges are faced by e-com in the recent competitive world which lead some customers refraining from its use due to bad experiences originating from:-
- the inappropriate use of information they provide online
- product quality
- inefficient delivery option
- lack of convenient exchange policy
- fraud by websites and delivery companies

The proposed solutions to these issues of e-commerce could be as follows:-
- Skilled work force
- Better logistics facilities
- Third party certification for transactions
- Use of secure servers for payments.

Now, whether the implementation of these corrective actions can build trust amongst new customers and /or retain old customers can only be known by asking the customers themselves in several different ways like analyzing the after effects of the implemented plan, survey analysis, market image of the company etc, but another way to do is through s-commerce which is making its grounds in today’s market scenario.

II. SOCIAL COMMERCE

Social commerce is a subset of online commerce in which the social media plays a vital role in the commercial activities of buying-selling, marketing, reviews etc.

These days every other person is using social media and also there is an ever increasing rate of people using e-commerce. As a result there are several platforms being developed that aid the businesses and customers for better
transactions and business opportunities. The customers get useful product review and actual user comments for the product they intend to buy and the companies get very useful customer suggestions and comments for their products and services Sanghyun, Hyunsun [2].

Almost every e-commerce company has its presence on most of the social media site like facebook, twitter, instagram etc. Here they allow users to interact with one another and share information about the products and services of the company specific.

The advantages of this shared information to users are as follows:-
- Better understanding of their desired products and associated services
- Actual customer feedback
- Complaint lodging
- Facility to know latest news and updates relating to sale, discounts, new launch etc

The advantages of this shared information to companies are as follows:-
- Help customers engage better with their brand
- Knowing customer behavior without having to pay for costly surveys
- Faster reach to the customers
- Feedback from users for improvement in services
- Cheaper source of marketing etc

All of the above advantages are making social commerce a very useful trend in today’s e-commerce business. There are continuous efforts and thought processes being incorporated in making social commerce better than before, some of it are as follows:-
- Faster reply to queries and complaints.
- Collaborating user recommendations and showing results in terms of popularity of product/service for assisting newer customers.
- Better mobile phone compatible applications.
- Technologies like augmented reality (enabling customers to view product look on themselves).

III. MAIN FEATURES OF SOCIAL COMMERCE

The main features of the s-commerce as discussed at the 2011 BankInter Foundation for Innovation conference on Social Technologies [3], the 6C’s are as following:-
- Content- organizing and providing valuable published content to the customers, companies and others.
- Community- facilitating customer’s interaction with each other through various channels like, emails, chat rooms, social media pages etc.
- Commerce- to be able to generate revenue from business activities.
- Context- real time data of customers like their check-in’s on facebook, instagram etc are available. These can be analyzed for developing business strategies like marketing events etc.
- Connections- connections of customers on social media sites enable their progress in business world by increasing opportunities to reach business lobbies and customers.
- Conversations- through conversations the behavior of customers and thus knowledge about future business scenario can easily be obtained.

IV. SOLUTIONS TO E-COMMERCE ISSUES USING SOCIAL COMMERCE

In today’s times the market image of the company can be best known through social media sites where almost every internet user is present with their views and perspectives. Social media has given birth to a completely new kind of business platform called the Social Commerce [2]. Thus social commerce can be very effectively used as a tool to understand and solve problems faced by e-commerce.

V. THE CONCEPT
In order to know the customers’ perceptions about the products and services offered by companies, we can gather data available in various forms with the social networking sites. There is tons and tons of data generated on a daily basis on these social media sites which is essentially rich in both customer and company useful information. This information can be used in numerous forms for obtaining varied inferences regarding “customer behavior in online shopping site in India”.

The obtained data cannot be processed through manual methods as it is big data, therefore data mining techniques will have to be used for processing, translating, analysis and drawing useful inferences from this data.

These inferences can easily be used for analyzing if the current practices of e-commerce companies are effective enough to build / retain trust of customers in e-commerce [Salehan, Kim 4].

If the results are positive i.e. the current practices are sufficient enough to build/retain customer trust then these practices should be continued further on as well, if not, the changes that are suggested here should be implemented for betterment of both customers and business houses.

The figure below shows a diagrammatic representation of the above concept. In this figure, the e-commerce trust model is explained through advantages and disadvantages of e-commerce, some of the disadvantages are pertaining to a particular segment of the industrial engineering (SCM in this case). The companies propose and implement several solutions to these issues. But we can’t say if these proposed solutions are effective and sufficient from the customers’ viewpoint or not. To know this we gather data from the various social media platforms and apply data mining to get inferences. Out of a number of inferences, only a select few would be useful for a particular context. The information provided by these useful inferences will give us a picture of whether the proposed solutions are effective in building consumer trust or not.
VI. MEASURING SOCIAL COMMERCE EFFECTIVENESS

The effectiveness of social commerce platforms on businesses can be done through the following measures Marsden, Paul [5]:

- Shopping at comfort of home
- Secure payment options
- Authenticity of products
- Cheaper than showroom rates
- Better variety at one place
- Easy comparison options

- Technological compatibility required
- Highly fluctuating price
- COD limits
- Unavailability of faster delivery
- Lack of convenient exchange policy
- Inferior Quality product
- Wrong items sent
- Product damaged

SOLUTIONS by E-COMPANIES (proposed/ adopted)

MEASURES ARE EITHER ACCEPTED OR REJECTED BY CUSTOMERS.

CONDUCT SURVEY
(ask customers to know if they accept/reject the proposed measures)

APPLY DATA MINING for large data obtained, giving several inferences.

USEFUL INFERENCES

Whether defers to trust or not?

SUCCESS (continue good practices)

NO

YES
Return on investment: through this the effect of social commerce on increase in sales and/or revenue generation can be analyzed. It can be earlier estimated the budget and the approximate reach of social commerce platform on the range of customers, and then the effect on sales before and after implementing this can be related to get to know whether there is any positive effect of social commerce or not.

Reputation: the reputation can be analyzed through checking the increase in website views, mentions on different social platforms etc. This ultimately leads to fetching greater amount of customers to the e-commerce company as the customer’s trust in made concrete through larger number of credentials of the company.

Reach: the reach to the amount of customers also is very important to decide upon the effectiveness of the social commerce platforms. Larger the reach of these platforms, larger is the chances of increasing reputation and return on investment for the e-commerce company.

VII. BUSINESS APPLICATIONS OF SOCIAL COMMERCE

There are following different kinds of business applications of social commerce as per Mashable.com [6]:-

- Social network-driven sales(Soldsie) - Facebook commerce and Twitter commerce belong to this part. Sales take place on established social network sites.
- Peer-to-peer sales platforms(EBay, Etsy, Amazon) - In these websites, users can directly communicate and sell products to other users.
- Group buying(Groupon, LivingSocial) - Users can buy products or services at a lower price when enough users agree to make this purchase.
- Peer recommendation- Users can see recommendations from other users.
- User-curated shopping- Users create and share lists of products and services for others to shop from.
- Participatory commerce- Users can get involved in the production process.
- Social shopping- Sites provide chat sessions for users so they can communicate with their friends or other users for some advice.

VIII. CONCLUSION AND FUTURE PROSPECTS

After discussing salient features of social commerce and its solutions to the e-commerce issues as above, we can say that there is enormous scope in the use of social commerce. Social commerce not only benefits the companies but also the customers at large with its multi-dimensional advantages and at the same time it also holds tremendous future possibilities. Developers have gained success on suggesting products based on our friend group purchases and also from the people we follow on social commerce sites. People these days expect a very personal experience from the e-commerce companies. This personalized experience can only be provided if the company knows its customers well and can understand and anticipate their requirements. For example, the following attributes can give a very clear picture of a products being suggested to a customer:

- Search history
- Purchase history
- Social stature
- Proximity data

Thus s-commerce is an exponentially growing field which is not only providing detailed information to customers and companies, but its also being used to increase effectiveness of feedbacks, marketing, promotion and selling of products. All of the mentioned factors make it the savior of the day for e-commerce industry.

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