

Chapter 3

Mobile Social Commerce

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ABSTRACT

S-commerce and M-commerce become buzz word recent years. The social and mobile elements have brought new ways of thinking as well as challenging opportunities in e-commerce. In this chapter, we firstly introduce the concepts of online social commerce, its classifications and social shopping behaviors. Secondly, we analyze the evolution from online social commerce to mobile social commerce. Different case studies are given to demonstrate the concept of mobile social commerce, to precisely define how mobile and social features add value to traditional e-commerce.

INTRODUCTION

According to Criteo State of Mobile Commerce report on Q4 2015, percentage of transactions occurring on a mobile device in US, increased from 35% to 44% between Q4 2014 and Q4 2015. Japan, UK and South Korea make up the top three countries ranked by mobile share of transactions, globally. In parallel to this phenomenon, GlobalWebIndex research shows that “digital consumers are comfortable using social networks to find new brands and research products they are interested in buying. Messaging apps like Line and WeChat have pushed beyond simple chat apps to integrate a broad range of commerce options and opportunities for monetization, forming the clear inspiration for Facebook’s recent development of Messenger Platform. All these developments mean that social commerce has a bright future”. Mobile accounts for 40% of time spent on social media. This context underlines the growing behavior of mobile social shopping and the new topic of interest that represent mobile social commerce applications for companies. Social commerce has begun to be studied in research literature and by companies’ experiments; however, few literature exists on the analysis of this new concept of mobile social commerce.

The objective of this chapter is to present an overview of e-commerce with the changing trend of social media and mobility. Towards this new trend, several questions are raised.

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- What is social commerce? What is the classification of social commerce?
- How social shopping behaviors affect on e-commerce?
- What is the evolution from traditional e-commerce to online social commerce?
- How mobile features affect on social commerce?

We will focus first on the recent evolution from e-commerce to one line social commerce. Then we will present mobile specificities for social commerce before analyzing different existing social mobile commerce applications. We conclude this chapter with some prospective on mobile social commerce.

BACKGROUND

In the digital era, customer's empowerment increased through four main phases (Labrecque et al., 2013): demand-based at the beginning of 90's, information-based during the contribution economy period, network-based at the end of 2000's with the launch of Facebook, Twitter and You Tube, and finally crowd-based through recent sharing economy. According to these authors, social networks provide a network-based power to customers through network actions and distribution, remixing and enhancement of digital content. This value derives from activities such as content dissemination (e.g., sharing and organizing content through networks), content completion (e.g., comments on a blog post that contribute to previous content, tagging), or content modifications (e.g., repurposing content, such as a video or image meme) in social networks. Social commerce emerged in this context, and social networks platforms tried to monetize their enormous audience by implementing social commerce functionalities (F-stores or Gifts for Facebook, buy button for Twitter). Stephen & Toubia (2010) show the value derived by social commerce networks.

Social Commerce on the Internet is characterized by the convergence between e-commerce and social networks. This phenomenon emerged in the 2000's, with the creation of forums, virtual communities, comments and recommendation tools, and price comparators on the web. Used initially in 2005 by David Beach, Yahoo! Shopping manager, the term "social commerce" is a set of collaborative tools dedicated to e-commerce (products lists, clients' comments, notations, and recommendation systems). A new form of social e-commerce appears in 2008 with Groupon, a successful website during the years following his creation, where individuals can buy at lower prices products and services by grouping their purchases. However, nowadays, Groupon's model has become a source of controversies due to its highly decreasing audience during the last year. In parallel to these new models, social networks and their highly increasing audience provide new opportunities for e-commerce. According to Addshoppers, Facebook and Pinterest combine for over 56% of social generated e-commerce at the moment. In this context, social commerce focuses on developing on line sales by using social networks or virtual communities' platforms. From a consumer point of view, social commerce gathers a set of social and participative technologies and capitalize on collaborative web 2.0 usages such as information sharing between web users. Therefore, individuals' purchase is not any more private but becomes a social activity with his/her own community of friends or web users' networks.

Historically, shopping activity is the focus of numerous published papers in marketing literature. From a long time, shopping in real world has been considered as a social experience relying on communications with other persons presenting same centers of interests (Tauber, 1972). In current e-commerce, web consumers are both utilitarian and hedonist, searching for experience (Holbrook & Hirschman, 1982;

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