

The Valuable Alliance between Social Media and E-Commerce: Social Networks as a Tool for Transparency, Dialogue, and Sales

A black rounded rectangle containing a white capital letter 'S'.

Neus Soler-Labajos

Open University of Catalonia, Spain

Ana Isabel Jiménez-Zarco

Open University of Catalonia, Spain

INTRODUCTION

The Internet has become a channel for looking for information, questioning, reading, participating and, what matters most to businesses, buying and making decisions on purchases.

On the Internet, people express their tastes, preferences and needs and talk about their experiences as clients of brands and products. This is a source of data that users continuously generate is very profitable for producers, because, in recognizing client demands, they can adapt products to match tastes and offer a personalized experience in their purchasing process (Füller et al., 2009).

From the user perspective, gone are the days when brands spoke and the consumer could merely listen (Ratchford, 2007). The socialization of the media empowers users by giving them a voice in their buying process, and the opinions shared are becoming increasingly important, causing the so-called social proof (social influence of information) and bandwagon effects (take over).

The recommendations of users and word of mouth therefore influence the process of consumer purchasing, determining the path of the brand or product. And social networks, the relationship environment *par excellence*, can become a framework for motivation and sale due to this relationship, if a concrete strategy to sell on them exists.

Given this scenario, social commerce is set as the socialization of online sales, obtained by adding a social component to the advantages that e-commerce offers. Its use allows users to shop online while commenting on the purchase they have made, accessing product recommendations made by their friends and sharing information (Parveen et al., 2015).

Meanwhile, social commerce gives the company the opportunity to know its customers, adjust its offer and generate useful experiences that satisfy the demands of consumers, fostering a relationship with the brand's users. That is, it can add value to the purchase by providing e-commerce social intelligence.

In this chapter, we will study the benefits that the use of social media brings to the digital business, as well as its role in the consumer's purchase decision and the brand experience that the user receives. We will observe, too, how traditional e-commerce is drifting increasingly toward social e-commerce, noting how social networks represent communication spaces that generate engagement and ways to serve the customer as well as sales platforms.

To do so, we will begin by defining concepts relating to social relations and highlighting the importance of using social media strategies aimed at reaching certain goals. Then we will detail the main

DOI: 10.4018/978-1-4666-9787-4.ch157

differences between e-commerce and social commerce, listing at the end some social media tips for the optimal development of social commerce. We conclude with the main idea that branding done through the social media needs to focus on providing a series of experiences, feelings and emotions to the user through his interaction with the brand, resulting in his loyalty to the same.

1. THE WEB 2.0 PHENOMENON

“When we talk about Web 2.0 we refer to a second generation of Internet services that are based on the online collaboration, the interactivity and the ability to share content among users. Technological development has allowed a much deeper change than programming languages and tools of content publishing. For this reason we speak of the 2.0 phenomenon as something that transcends the barriers of technology, it is a new paradigm of relationship and knowledge, similar to that came with the advent of printing” (Levine et al., 2000).

The Cluetrain Manifesto lists 95 conclusions whose message, created in 1999 and published in 2000, has been reaffirmed over the years. The authors argue that consumers no longer expect companies to notify them of the benefits of their products; they themselves will share their experiences and opinions on the Internet. They therefore claim that markets are conversations, and that companies should participate in them, communicating with customers.

The ideas offered by the Cluetrain Manifesto to understand the 2.0 phenomenon focus on the importance of people, the way they relate socially and the intelligence acquired by markets, which forces companies to humanize themselves, listen to the markets and provide answers to the needs of people.

So, in the new paradigm, the user is at the centre and the business-consumer relationship does not reside in a higher plane in which the company has the power, decides what products interest the client and maintains unidirectional communication with him, but rather on in which it listens to the consumer in order to meet his needs adequately (Trusov et al., 2009).

2. SOCIAL NETWORKS

The clearest example of the manifestation of the 2.0 phenomenon and Web 2.0 is the massive adoption of social networks among users. We join them because our friends and our professional contacts are there, or because on them we find the content we want and can use, critique or share, bringing new visions.

According to the definition offered by Wikipedia, “a social network is a social structure made up of a set of social actors (such as individuals or organizations) and a set of the dyadic ties between these actors”, which means that they are connected by one or more types of relationships or common interests that share knowledge.

And that is because people, naturally social beings, create communication bridges with those around them. Until recently these connections were produced with those who were close physically, but Internet has made it so relations no longer depend on space and time, rather the interests that unite people (Parveen et al., 2015).

Therefore, social networks are people talking online. They are the platforms that allow users to engage in dialogue. On a network, each user can post and read content, acting a node that is at once sender and receiver of the communication taking place. Social networks are important due to the number of people

15 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:
www.igi-global.com/chapter/the-valuable-alliance-between-social-media-and-e-commerce/149111

Related Content

Online Store Loyalty: An Investigation of Drivers and Outcomes

Mercy Mpiganjira (2015). *Journal of Electronic Commerce in Organizations* (pp. 55-73).

www.irma-international.org/article/online-store-loyalty/145423

Mobile Caching for Location-Based Services

Jianliang Xu (2006). *Encyclopedia of E-Commerce, E-Government, and Mobile Commerce* (pp. 760-765).

www.irma-international.org/chapter/mobile-caching-location-based-services/12626

How Dependent Are Consumers on Others When Making Their Shopping Decisions?

Makoto Nakayama, Yun Wanand Norma Sutcliffe (2013). *E-Commerce for Organizational Development and Competitive Advantage* (pp. 204-224).

www.irma-international.org/chapter/dependent-consumers-others-when-making/74525

E-Service and Organizational Change: A Process Model

Chorng-Shyong Ongand Shang-Wei Wang (2011). *Journal of Electronic Commerce in Organizations* (pp. 39-51).

www.irma-international.org/article/service-organizational-change/62648

Difficulty in Transition: Study on Hindrances in Online Shopping for Potential Shoppers

Chand Prakash Saini (2021). *Research Anthology on E-Commerce Adoption, Models, and Applications for Modern Business* (pp. 1144-1156).

www.irma-international.org/chapter/difficulty-in-transition/281553