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Social Commerce

Marketing, Technology and Management

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To Daphne and Sharon with love

Efraim Turban

To my lovely daughters, Cyndi and Malia

Judy Strauss

To my parents for their love, support, and encouragement

Linda Lai

Preface

Social commerce, also known as social business, is an emerging field driven by the explosive growth of the social Web and social media. The field includes social network services such as Facebook, Twitter, and LinkedIn; user-generated content networks such as YouTube and Pinterest; products and services review sites (e.g., Trip Advisor); and social shopping sites (e.g., Groupon, Polyvore). Social commerce (SC) can be viewed as a subset of electronic commerce where the electronic transactions and associated product conversations are conducted on social networks and other social media platforms.

To date, major activities of social commerce are facilitated by marketing communication, online sales transactions, and customer service areas. There are also significant activities in the areas of collaboration, recruiting, and problem solving within organizations (known as Enterprise 2.0). Social commerce networks also benefit organizations by moving them closer to their markets for collaboration and research purposes that often result in product innovation and greater customer value.

SC is expected to maintain its rapid growth, disrupting several current business models in the process. An understanding of the strategies and tactics in this field is critical for the future of any organization. This book is a snapshot of SC in 2015/2016, and it includes many resources and references so the reader can learn about the state of the art and monitor current strategies and tactics.

THE PURPOSE OF THIS BOOK

This book was written as a multidisciplinary textbook by leading authors of e-commerce and e-marketing textbooks, with contributions by several industry experts. It is the first comprehensive textbook and resource collection ever written on this topic and it can be used in one or more of the following ways:

- (a) Textbook for an elective course at the undergraduate or graduate levels (including MBA and executive MBA programs).
- (b) Supplementary text in marketing, management, or information systems disciplines.
- (c) Material for training courses in industry.
- (d) Support resources for researchers and practitioners in the fields of marketing, management, and information management.

Multidisciplinary Approach

Social commerce is a multidisciplinary field combining marketing, IT, management, sociology, behavioral sciences, and more.

FEATURES OF THIS BOOK

Several features are unique to this book. It includes both management and theoretical approaches to improve business strategies and tactics.

Managerial Orientation

Social commerce can be approached from two major viewpoints: technological and managerial. This text uses the second approach. Most of the content is about SC applications and implementation. However, we do recognize the importance of the technology and present technological topics as needed. In addition, we provide many technology resources.

Real-World Orientation

Extensive, vivid examples from large corporations, small businesses, governments, and non-profit agencies from all over the world make concepts come alive. These examples show the readers the capabilities of SC, its cost and justification, and the innovative ways these entities are using SC in their operations.

Solid Theoretical Background

Chapter 3 is dedicated to the theoretical foundations necessary for understanding SC, ranging from consumer behavior to social influence. Furthermore, we provide website resources, many exercises, and extensive references to supplement the theoretical presentations.

Most Current Leading-Edge Topics

The book presents the most current topics related to SC, as evidenced by many recent sources. Topics such as crowdsourcing, social CRM, reputation management, social games, mobile social, the Hype Cycle, social analytics, and sentiment analysis are presented from the theoretical point of view as well as from the application perspective.

Global Perspective

The importance of global competition, partnerships, and trade is increasing rapidly. Social commerce can facilitate global collaboration, the management of multinational companies, and electronic trading around the globe. International examples are provided throughout the book, including some from developing countries.

Links to Resources

Several hundred links to research reports, companys' products, books, guides, free e-books, etc. are provided.

Note #1. We do not mark a www. in front of the URLs. If the page is not loaded try to add www.

Note #2. The dynamic nature of the field makes some of the links obsolete.

Note #3. In many cases, we provide only the name of a company or its URL, but not both.

User-Friendliness

While covering all major SC topics, this book is clear, simple, and well organized. It provides all the basic definitions of terms as well as logical conceptual support. Furthermore, the book is easy to understand and is full of interesting real-world examples that maintain the readers' interest.

ORGANIZATION OF THE BOOK

The book is divided into 11 chapters grouped into four part (see Fig. 1.6). In addition, there are two primers, one on e-commerce and one on e-marketing, which provide the foundations needed as prerequisites to a course on social commerce. An appendix to the book lists dozens of SC-oriented websites.

COURSE SYLLABUS AND LEARNING OUTCOMES

Per the request of many instructors, we provide the following suggested course description, learning outcomes, and student learning strategies.

Course Description

Social commerce is an introductory course in an emerging, quickly developing field, which utilizes social media, including Web 2.0 tools and social network sites, to conduct e-commerce, e-marketing, and other e-business activities. The course covers the areas of buyer behavior, social media marketing, social enterprise (Enterprise 2.0), social government, social CRM, crowdsourcing, social entertainment and gaming, social strategy, market research and analytics, and several other critical topics. The course is managerially oriented, and includes many social media applications and assignments. The prerequisites are: basic knowledge of introduction to MIS, marketing, and e-commerce.

Learning Outcomes

Upon completion of this course, the student will be able to:

1. Understand the essentials of social commerce and its strategic value.
2. Define social media and describe its composition and tools.
3. Explain the major supporting theories behind social commerce.
4. Describe the components of social commerce.
5. Explain how social media is used in marketing communication (including advertising, reputation management, and company-owned social media content).
6. Discuss how social media can engage customers in social commerce activities.
7. Describe the major models of social shopping.
8. Explain social CRM and the use of social media to support it.
9. Describe the content of social enterprise (Enterprise 2.0) and its benefits and business models.
10. Explain crowdsourcing and collective intelligence and relate them to social commerce activities (e.g., idea generation).
11. Be familiar with many applications of social commerce such as social entertainment, social government, and social learning.

12. Describe social strategy and performance and analytics, including competitive strategy and innovation applications.
13. Assess the implementation and deployment issues involved in social commerce.

Student Learning Strategies

- Learn the important terminology for this emerging field, as presented in the book's extensive glossary.
- Follow links within each chapter to learn many of the topics more thoroughly.
- Read case histories within each chapter and answer challenging questions about the company's social media strategies.
- Study the end-of-chapter review questions that can help self-assessment of knowledge learned.
- Engage in social commerce topics with end-of-chapter activities: discussion, debates, and Internet exercises.
- Watch videos and answer relevant questions about them.
- Delve more deeply into chapter topics with end-of-chapter team assignments and activities.
- Solve interesting, current case problems and video cases introduced in each chapter.

PEDAGOGICAL FEATURES

The text offers a number of learning aids for the students:

- **Book's Learning Outcomes.** The book's learning outcomes are included in the proposed course syllabus.
- **Chapter Outlines.** A listing of the main headings ("Content") at the beginning of each chapter provides a quick overview of the major topics covered.
- **Chapter's Learning Objectives.** Learning objectives at the beginning of each chapter help readers focus their efforts and alert them to the important concepts to be discussed. The summaries at the end of each chapter are organized to correspond with the learning objectives.
- **Opening Cases.** Each chapter opens with a real-world example that illustrates the major topics to be covered in the chapter. Following each case, a short section titled "Lessons Learned from the Case" links the important issues in the opening case to the subject matter of the chapter. Questions for the opening cases are provided in the "Team Assignment" section at the end of each chapter.
- **Application Cases and Examples.** In-chapter cases and numerous examples highlight real-world SC solutions used by organizations. Questions follow each application case to help direct students' attention to the implications of the case material.
- **Exhibits.** Numerous attractive exhibits (both illustrations and tables) extend and supplement the text discussion.
- **Chapter Summary.** The chapter summary is linked one-to-one with the learning objectives introduced at the beginning of each chapter.
- **Review Questions.** Each chapter ends with a series of review questions. These are intended to help students summarize the concepts introduced and understand the essentials of each section before proceeding to another topic.
- **End-of-Chapter Exercises.** Different types of questions measure students' comprehension and their ability to apply knowledge. "Topics for Class Discussion and Debates" are intended to develop critical thinking skills. "Internet Exercises" are challenging assignments that require students to use the Internet and apply what they have learned. More than 100 hands-on exercises direct students to interesting websites to conduct research, investigate applications, download demos, watch videos, or learn about state-of-the-art

technology. The “Team Assignments and Projects” exercises are challenging group projects designed to foster group collaboration.

- **Glossary and Key Terms.** Each key term is defined in the text when it first appears. In addition, an alphabetical list of key terms appears at the end of each chapter and a glossary with the definitions of all terms are available at the end of the book.

SUPPLEMENTARY MATERIALS

The following support materials are also available.

- **PowerPoint Lecture Notes.** These notes, developed by Judy Lang and Efraim Turban, are oriented toward text-learning objectives on a chapter-by-chapter basis.
- **Instructor’s Manual.** The Instructor’s Manual includes answers to all review and discussion questions, exercises, and case questions written by Jon Outland (Online Colleges and Universities).
- **Test Bank.** A comprehensive test bank was developed by Jon Outland.
- **Online Tutorials.** We provide five technology-related online tutorials. The following tutorials are not related to any specific chapter. They cover the essential of SC technologies and provide a guide to relevant resources.
T1—e-CRM
T2—EC Technology: EDI, Extranet, RFID, and Cloud Computing
T3—Business intelligence and Analytics, Data, Text, and Web Mining
T4—Competition in Cyberspace
T5—E-Collaboration
- Two authors’ websites
 1. Judy Strauss’s site (judystrauss.com/socialcommerce) includes valuable additional content to supplement the book material.
 2. Efraim Turban’s site (social-commerce-textbook.com) includes tutorials and online files.

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Honolulu, HI
Reno, NV
Gonzaga Gomes, Macao

Efraim Turban
Judy Strauss
Linda Lai

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