

# A Review towards the Use of Social Networking Sites (SNSs) as E-commerce Platform

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**Abstract** SNSs had become a wide technology for computer network. It is hardly a surprise that everyone working with technologies and people using SNSs in commerce. This paper is to provide a general snapshot of SNS in commerce. We also described how system functionality may influence consumers' anxiety to use SNS in commerce. Moreover, we also described that why the value of SNS is important and what is the different between SNS and e-commerce. It is suggested that SNS functionality for commerce can influence user anxiety to use the system. Therefore, an investigation is still needed in order to confirm aspect.

**Keywords** SNS, Social sites, E-commerce, Anxiety

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## 1. Introduction

With the growth of technologies in this globalized world, it is hardly a surprise that everyone working with technologies especially social networking. The social networking domain has become one of the fastest growing online environments connecting hundreds of millions of people worldwide. People using the existing social networking for many purposes, such as marketing, entertainment, keeping in touch with people hundreds of miles away, update status, connecting with customers, share information, learning etc. However, people using social networking with different domain in many fields, such as education, business, community, medical professionalism, engineering, etc.

In progress and society advances, SNSs had been engaged as tools of interaction with customers, social interaction and relationship building. It is also as channels of information, collaboration and promotion[19]. Moreover, SNSs can be a good system for commerce. It is an online environment where people can present their profiles, make links to other users and communicate with them.[10] In addition, users to share information product to their friends and they receive commercial information.[17] Other than that, user interface is very important in SNSs in commerce. It is for presence of items representing organizational disclosure, information dissemination and involvement[35],[5]. Therefore, SNSs in commerce can reach useful data for predictions of market trends and customer behavior, it will influence and maximize

the effectiveness of a company to establish their business [23].

Many of the advantages of using SNSs in commerce. How was users to use SNSs in commerce?[23] mentioned that, the big volumes of traffic online for SNSs in commerce is Youtube, Facebook and MySpace. The reason of people lying in SNSs is that valuation generated from trusts within specific social networks and therefore, it can improve profitability, effectiveness and efficiency of advertising. In addition,[30] also supported that, users join these networks, publish and maintain their own profiles and establish links to their friends. It can establish between the connected users.[35] advised that, to use an SNS such as Facebook, users need to understand how to use SNSs as their membership numbers continue to expand their business. Users need to keep updating their profile such as posted multimedia files, status, or summaries their campaigns. Moreover,[3] supplemental that, sharing information or updating profile may affect consumer to attend the profile of the user. Despite the other users didn't add the users as their friends, consumers can get the information through their friends share. Many of the method of using SNSs in commerce,[31] believe that using information exchange users and consumers to be effectiveness of e-commerce. For instance, a product rating between two consumers may influence the users' market in SNSs in commerce. According to[5], Huang(2004) mention that, fast development of business, a lot of information presented on the Web shows great challenges to consumers searching what they are interested in. Therefore, to gain more information, users may use the SNSs as these sites to collect the information about consumers. This has become extremely beneficial for firms on track in and shape consumer behavior.[28] suggested that, to attract consumers of buying product, users can share or

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advertise the promotion information such as sending them offer messages through SNSs. Other than that, users can send a statistical update message to statistics consumers to report the purchase offer, including details on purchase price, profit achieved, etc.

## 2. E-commerce

E-commerce is a business for retailing in an online environment. The concept of e-commerce in the online environment is that an ICT infrastructure. It is a best way to increase the market worldwide through online commerce. It can build up small and medium enterprises to adopt e-commerce and increasing online sales[36].

In the e-commerce, many of the factor that may influence the users' behavior by the theory of perceived ease of use and perceived usefulness. Moreover, consumers trust in an e-commerce has been an issue commanding ever more attention. Therefore, to attract customers, system usability, information provided, user interface and communication quality is very important.

When prospective customers start exploring a web site, the ease and the efficiency with which they can access relevant information can affect their feel in control of the sites. For example, the system provides easy access, be customer-centric, let the customer be in control and convey the professional image. The component should be included in e-commerce such as, homepage, navigation, categorization, product information, shopping cart, checkout and registration and customer service[9].

### 2.1. SNSs

[8]define SNSs as:

[...] A web-based services that allow individuals to construct a public or semi-public profile within a system, create a list of other users that share a connection, and see and navigate through their list of connections and of those created by others within the system.

Example of SNSs such as Facebook, MySpace, Twitter, Bebo, etc. It has attracted millions of users, many of whom have integrated these sites into their daily practices. SNSs can use for many fields such as commerce, education, politics, health, computing, engineering, etc. The reason for using SNSs is to get in contact with new people, keep in touch with friends, general socializing, get information, sharing content, profile surfing, etc. SNS networks spread information and the guidance websites collect them and help promote group-purchase networks, particularly the new emerging ones[24].

SNSs are increasingly attracting the attention of business, education, industry. To use SNSs, participants are not necessarily "networking" or looking new people; instead, they are primarily communication with people who are already a part of their extend social network. SNSs have implemented a wide variety of technical features. People

joining in SNS for sharing information and update status[8]. According to Charles Steinfield, et al., 2012 SNSs have become important tools for managing relationships with a larger network of people who provide social support and serve as conduits for useful information and other resources[14],[27]. SNS are organizing and distribute the contents by focusing the user first and the user's awareness and behavior become the most concern. Thus, SNS could satisfy the users by fulfill the user's diversified demand[24].

SNSs today has already fused into the general society as part of the culture. Many businesses have been drawn to participate in SNSs due to high daily activity rate in SNSs like Facebook[6]. People use the system of Facebook to create their own page. It has been proven to increase online sales for businesses, some, especially the small-business startups.[6] mentioned that, some of the online shops set up on Facebook without their own business websites can be successful. He also supported that, building web presence in SNSs alone may seem sufficient for small businesses that do not envisage growing bigger in the future, but it will raise several critical ownerships related issues for businesses that value long-term growth and online consumer engagement. Some of the studies supported the phrase above and give the reason.[12] mentioned that, SNSs in commerce facilitate a platform that a consumer can use to interact with other consumers get advice from trusted individuals, find a proper product and then buy the product. Therefore, consumers can have a shared platform with other members, leave comments, recommend a product, rate a vendor and publish a wish list. This allows consumers to feel greater satisfaction and have interaction with others[11].[16] researched that, consumers who are using SNSs in commerce giving feedback affects trust and risk perceptions differently. Even they know SNSs in commerce is a risk, but they can read and learn feedback from others consumers, it may affect trust to consumers before purchase. In addition, SNSs that can increase the business through communication and share information to others. Rogers emphasized the mutuality of influence in interpersonal communication. People share information, give, gain understanding of each other's views, and influence each other[4].

[...Economically, SNSs are a very good earning and advertising platform that attracts millions of users belonging to a wide range of countries, speaking multiple languages, having a variety of religions (if any) and having highly heterogeneous ethnic, racial, social and political backgrounds....][25].

Since the growth of SNSs in commerce, many of researchers research about usefulness of SNSs in commerce.[27] study that SNSs impacts e-commerce activities. The analysis conducted from two aspects, the user's expectations and the users' experiences. The result shown that most users in a certain group have accepted the SNS in commerce. However, it should keep the positive function which is shared and communicated in original SNS, and improve in the future. In the other study,[15] had

investigated the effects of service quality and recovery of SNS in commerce on the perceived value of consumer and consumer loyalty. While, [12] studied social commerce adoption model, which is Technology Acceptance Model (TAM) and Social Commerce Adoption Model (SCAM). The author analyses some of the components of social commerce which affect the intention to buy among individuals by proposing and testing SCAM. In the other study [24], combination of SNSs with e-commerce. In the research explain it, as a social networking platform, SNS itself, which has huge social networking and popularity, will be more conducive to develop e-commerce. Especially, the breakdown of the SNS community will be more targeted for e-commerce. The combination of e-commerce and social networks fully tap the business value of social networking. [29] examined the economic value implications of a social network between sellers in a large online social commerce marketplace. In this marketplace each seller creates his or her own shop, and network ties between sellers are directed hyperlinks between their shops.

In conclusion, this study aims to investigate factors affecting users to use SNSs in commerce. In all the previous studies, not much researchers research about the factors affecting users to use SNSs in commerce.

### 3. SNS in Commerce

Following the new technology trend, many of people adopt the trend of using SNSs in commerce. SNSs include Facebook, Twitter, Myspace and LinkedIn. They use SNSs in advertising, share business, tracking and facilitating customer communities, broadcasting messages, provide customer service, creating promotional campaigns, and, above all. However, It can focus on the building and verifying of online social networks for commerce of people who share the product and activities, or who are interested in exploring the interests and activities of others and which necessitates the use of software.

[17] explained that the increased popularity of social networking sites (SNSs), such as LinkedIn, Facebook, and Twitter, has opened opportunities for new business models for electronic commerce, often referred to as social commerce. Social commerce involves using Web 2.0 social media technologies and infrastructure to support online interactions and user contributions to assist in the acquisition of products and services. In the result of this research, social media technologies not only provide a new platform for entrepreneurs to innovate but also raise a variety of new issues for e-commerce researchers that require the development of new theories. The purpose of this introduction is to present a framework that integrates several elements in social commerce research and to summarize the papers included in this special issue. The framework includes six key elements for classifying social commerce research such as research theme, social media, commercial activities, underlying theories, outcomes, and research methods. The proposed framework is valuable in defining

the scope and identifying potential research issues in social commerce.

[23] explained that social networking has become popular and raised a controversial question on its profitability and future influences. This paper is to provide a general snapshot of social networking and discuss its pros and cons. In the result of this research, a useful method judging whether or not a company should apply the technology is presented. However, social networks in a way is changing e-commerce and helping it towards new directions. With its help, e-commerce can conquer some problems facing by e-business enterprises. Therefore, its opportunities and limitations should be carefully studied so as to be fully utilized. It is important to understand how much value created depends on innovative use of technologies than simply duplicate others activities.

[17] explained that Social commerce is emerging as an important platform in e-commerce, primarily due to the increased popularity of social networking sites such as Facebook, LinkedIn, and Twitter. In this research it had to determine and to understand the user's social sharing and social shopping intention in social networking Web sites, they conducted an empirical study on a popular microblog and how the social factors such as social support and relationship quality affects the user's intention of future participation in social commerce. The results indicate that both factors play a critical role. In the result shown that, social support and Web site qualities positively influence the user's intention to use social commerce and to continue using a social networking site. These effects are found to be mediated by the quality of the relationship between the user and the social networking Web site. Therefore, the findings not only help researchers interpret why social commerce has become popular, but also assist practitioners in developing better social commerce strategy.

[29] explained that social commerce is an emerging trend in which sellers are connected in online social networks, and where sellers are individuals instead of firms. In this paper examined that the economic value implications of a social network between sellers in a large online social commerce marketplace. In this marketplace each seller creates his or her own shop, and network ties between sellers are directed hyperlinks between their shops. Three questions are addressed in this research: (i) Does allowing sellers to connect to one another create value (i.e., increase sales), (ii) what are the mechanisms through which this value is created, (iii) how is this value distributed across sellers in the network and how does the position of a seller in the network (e.g., its centrality) influence how much it benefits or suffers from the network? In the result, they found that (i) allowing sellers to connect generates considerable economic value; (ii) the network's value lies primarily in making shops more accessible to customers browsing the marketplace (the network creates a "virtual shopping mall"); and (iii) the sellers that benefit the most from the network are not necessarily those that are central to the network, but rather those whose accessibility is most enhanced by the network.

### 3.1. Why the Values of SNSs in Commerce are Important

When talking about SNSs in commerce, it is a new technology in business. Many of the entrepreneur are taking this advantage in their business. SNSs in commerce can have many of the advantages such as the system quality, communication quality, user interface quality and information quality. All of this influence users' anxiety to use SNSs in commerce. Therefore, the ease of use technology influence people purchase goods or product by using SNS in commerce.

In order to make proper decisions on choosing whether or not to use SNSs in commerce, it is prerequisite to find some reason and method of using SNSs in commerce. According to [32], SNSs called as word-of mouth (WOM) marketing. Outbound WOM can be precisely tracked. However, SNSs record the electronic invitations from existing members. It also can be linked to the number of new members subsequently joining the site. The value creates SNSs in commerce to attract customers to purchase the product by the ways that easier.

### 3.2. The Difference between E-commerce and SNSs

**Table 1.** The difference between e-commerce and SNSs

| No | E-commerce   | SNSs   |
|----|--|--|
| 1  | E-commerce is a type of industry where buying and selling of product or service is conducted over a computer network                   | SNSs is a platform to build social networks or social relations among people, communication, sharing information, etc. |
| 2  | E-commerce provided shopping cart  | SNSs are not provided shopping cart  |
| 3  | E-commerce has an internal chatting room for consumers communicate with the seller.  | SNSs has an internal chatting room for SNS owner chatting with others.   |
| 4  | E-commerce provided online banking, Paypal, and Master card direct transaction.  | SNSs do not provide online banking, Paypal and Master card direct transaction.   |
| 5  | E-commerce provided affiliate marketing function   | SNSs provide shared information functions  |
| 6  | E-commerce provide a search box for searching product.   | SNSs provide a search box for searching online shop  |
| 7  | E-commerce provide newsletter subscription allow users to enter their email address to stay up to date with the offers and promotions, | SNSs provide like button for the user to receive information to stay up to date with the offers and new arrival.       |
| 8  | E-commerce can arrange the product with the categories.  | SNS can arrange the product with the album.  |
| 9  | E-commerce provide system for customer register and log in   | SNS provide system for customer register and log in  |
| 10 | E-commerce provides good graphic and image for attracting customers.   | SNSs provide space for users to update the graphic and image for attracting customers.                                 |

E-commerce and SNSs has their own functions for doing business. [26] mentioned that, every e-commerce system needed are different. It is a way for sellers to build up their market through online networking. While, [2] mentioned that, most of the company using SNS for selling products and services and also for branding products. It is also can be done through advertisements and banners. However, he also mentioned that, SNSs has a good system for sellers connecting with customers.

### 3.3. Consumers Anxiety to SNS Functionality

In this technological advances profoundly impact on SNSs. It had influence users' anxiety to use it in business. Many of the researchers founded that, the technology advances may affect the users' anxiety to use it. [20] founded that, anxiety can influence overall levels of satisfaction, intentions to use SNSs and thus participating in positive word-of-mouth for those consumers who had an initially satisfying experience. In addition, the functionality and the change based on the technology may influence consumers' anxiety [1], [21], [22], [34], [33] found that, the consumers' self-enrichment, self-gratification and self-enablement may influence emotional attachment on behavioral loyalty and word of mouth. Despite consumers-firm emotional influence consumers' anxiety, the causes also from the technology of the functionality.

On the other hand, the lower attachment anxiety, the relationships between intensity of SNS use and bonding and bridging social capital were stronger than those with higher attachment anxiety [18]. However, the SNS system design that impact the anxiety, such as the system transaction, privacy, services, user-interface, etc [7], [13]. Based on this SNSs design functionality, it may affect the user's anxiety.

## 4. Discussion and Conclusions

SNSs in a way are changing to commerce and it towards new directions. With its helps, SNSs in commerce conquer some problems facing by company for advertising, communication, sharing business information, broadcasting message, update new arrival, etc. However, its opportunities and limitations should be carefully studied. It is important to study the e-commerce and SNSs, the useful of using SNSs in commerce may affect consumers' anxiety. In conclusion, SNS provided a good system in commerce. Therefore, this had influence consumers anxiety to use it. Moreover, SNSs is a functionality system for consumers easy to purchase a product and sharing information.

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