International Journal Of Scientific And University Research Publication

ISSN No 301/704

Listed & Index with
ISSN Directory. Paris



Multi-Subject Journal

Volum : (13) | Issue : 205 |

INTERNATIONAL JOURNAL OF SCIENTIFIC AND UNIVERSITY RESEARCH PUBLICATION

IJSURP
International Journal Research
www.ijsurp.com

Research Paper

SOCIAL MEDIA WITH ITS ROLE IN SUPPORTING E-COMMERCE AND ITS CHALLENGES

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ABSTRACT **This study sheds light on the role played by social media in supporting e-commerce and the major challenges facing this important technology, given that it is widely used in the present. In addition, this technology is distinguished by its usability and the users' ability to find what they want in a short period. Facebook and Twitter are the most popular social media, as they help users communicate with thousands of people around the world in seconds. The number of people using the social media in trade and promotional operations reached almost 2 billion, which reflects the importance of this technology. Despite the several advantages of the social media, it has several negatives in e-commerce, as it lacks control, exposing users to risks. These websites may also lead to lack of privacy in selling and purchasing, in addition to having other social negatives. The study was based on the SWOT analysis to identify the role of the different social media and which is more suitable for the different trade transactions. The study showed that the e- commerce is different from the traditional one in terms of the standards of related parties. Thus, the related parties use different ways of selecting their suitable social media. They study recommended paying more attention to the impact of social networking on the marketing and promotional information for companies and businesses.**

KEYWORDS :component; Social Media networks; Social networks; Social Media;

INTRODUCTION

Fulfilling the daily needs was not that easy, and requires exerting more efforts. Therefore, the different technological developments started to spread everywhere in the world gradually, making life much easier. Everything can be done by one click, compared to the old times when trade required travelling from one country to another. Currently, the commercial transactions can be concluded easily from homes through e-commerce. So, what is e-commerce? What is its importance for man? What is the impact of social media on it?

This study was conducted to identify the importance of social networking for e-commerce.

a. The essence of e-commerce Electronic trade is a new term referring to the commercial activities and transactions which are concluded through using doi: http://dx.doi.org/10.4314/jfas.v10i4s.103 information technology, communication means and Internet. Though this technology has been recently introduced, it resulted in a qualitative leap in the field of trade, offering more benefits to users, whether they are individuals, institutions or businesses [3].

B. The importance of e-commerce [3] [4][5]

1) For individuals:

- Allows several individuals to work from homes and generate strong earnings in foreign currency through developing their businesses without having capital.
- Helps individuals execute their commercial transactions at any time and everywhere in a very short period.
- Allows them to exchange their views and expertise as regards services and products through the online communities.
- Helps expand the market globally.
- Lowers the costs of creating, addressing, distributing, saving and retrieving the e-information.
- Allows companies to manufacture their products as per the customer needs, granting the company a special privilege.
- Reduces the time between paying money and receiving products and services.
- Allows low-income classes to purchase cheap products.

2) The e-commerce transactions include [7] : The payment of the prices of products or services as well as the negotiation between the seller and buyer, in addition to the customer service, post-sale service and the specifications of products and services.

C. E-commerce models

There is no doubt that e-commerce is witnessing continuous development, especially in the Arab region. E- commerce includes the following models:

1. From Business to Business (B2B): Companies target other companies to sell them complementary products or services.
2. From Business to Consumer (B2C): This common type includes selling products by companies directly to consumers.
3. From Business to Governments (B2G): The companies offer their services or products to governments.
4. From Consumer to Consumer (C2C): The customers sell products or services to each other directly.

D. Social networking [6]

The world has recently witnessed a sort of social communication among humans in an electronic virtual space, shorting the distances between people and abolishing borders. This kind of communication between people is known as social networking, and the multiple networks such as Facebook, Twitter and LinkedIn accounted for a large number of recipients. They report news fast as well as text messages, photos and videos, which helped boost their popularity.

1) Facebook: It is one of the most important social networking websites. Facebook is not a social forum but a technological base that can be used by anyone to do whatever he wants. This website was designed in 2004 to serve students, faculty and staff at Harvard University. It was introduced in the form of a simple website in order to enhance communication between students and help them retain relationships after graduation. With the launch of this website, it has achieved a great success to become today one of the most important social networking websites and the most frequently used at all [1].

Statistics indicate that [6]:

- 510 thousand users post comments on the Facebook pages.
- 293 thousand cases are updated on a daily basis.
- 163 thousand pictures are uploaded a day.
- 30 billion pieces of content are shared in a month. According

to statistics, the United States ranked first in terms of the number of Facebook users, reaching more than 157 million, followed by Indonesia and India with over 41 million subscribers, and then Brazil with more than 35 million users. As for the Arab world, Egypt topped the list, with the user number surpassing 9 million subscribers, followed by Saudi Arabia and Morocco with over 4 million subscribers, and then Algeria with 3 million. Tunisia and the UAE recorded more than 2 million users [3].

2) Twitter: It is a social network used by millions of people all over the world to stay in touch with their friends, relatives and co-workers through computers and mobile phones. Twitter allows users to publish short messages of up to 140 letters that can be read by other users. Twitter is real- time information network, backed by people all over the world. It allows users to share and discover what is happening now in the world. [1,3].

According to the statistics published by Twitter on its anniversary, the website has more than 106 million users,increasing by 300 thousand every day. While the number of tweet post was limited to 140 characters, the users send more than 55 million tweets a day; 460 per minute. [1][3].

3) Lnikedln: It Is a social network specialized in business and trade, and its subscribers are professional in many fields and share their interests [3].

Despite being launched in 2002, this website has become among the most important professional and social networks. [5][4].

According to statistics, the total number of LinkedIn users exceeded 136,787,000. The United States took the first position in terms of the number of LinkedIn users, surpassing 59 million, followed by India with more than 13 million, and the United Kingdom with over 8 million. As for the Arab world, the United Emirates topped the list with more than 873 thousand subscribers, followed by Saudi Arabia (nearly 600 thousand) and then Egypt. [7].

II. I LITERATURE REVIEW

There are many research and field studies on the role of social networks in commerce in general and e-commerce in particular. The most notable studies in this area are:

A . Study 1: This study showed that 92% of users around the world expressed the importance of social media in their professional lives, while most of them are confused about selecting the most useful social network for their business. In total, the social media such as Facebook or Twitter has several benefits, particularly for purchasing or promoting various items. [1].

B. Study 2: This study highlights the importance of social networking such as Facebook and Twitter networks that links the world with each other. These websites enabled people to communicate with each other, establish new relations and consolidate the previous ones. The study proved that these websites are considered a means to exchange ideas, information and knowledge, as well as developing skills and creative ideas. In addition, they help identify the culture of other peoples, and thus leading to the development of communities. The study also showed that 41% of e-commerce is focused on Facebook and 23% of companies focus on Instagram. The considerable development witnessed recently by marketing through Instagram and the strong platform of Facebook makes these websites ideal for communicating with consumers and directing them to buy products or services. [7].

C. Study [3] : This study is aimed at determining the relationship between transactions in the financial markets and the usage of social networks that are considered a system of electronic networks allowing users to establish their own websites and then link them through an electronic social system to other members having the same interest These websites are classified among the second generation (Web 2.0) which has spread dramatically to break the geographical boundaries. However, their negatives include lack of control and responsibility, in addition to wasting time in switching between pages. The study also demonstrated that the social networking facilitates the financial transactions, allowing traders to follow up markets and be in constant contact with the trading environment. [6]

C. Study [4] is aimed at highlighting the relationship between the use of social networks and the interest of beneficiaries of a certain brand. It showed that despite several people believe in the positives of these networks more than negatives, they have some major negatives such as misleading. However, users should be aware that not all posts are real and important. The study indicated that almost 57% of the social network users visited the official websites of their preferred trademarks, while 26% of the total users joined a social network to communicate with those interested in certain trademark 73% of users indicated that they felt more loyalty to those companies, while 63% said that they recommended others to join these groups. [5]

D. Study [5] determines the gender of those using social media in buying and selling. It showed that male users are more active than females in buying and selling, as the percentages of male and female users reached about 65% and 35%, respectively. As for the average age of users, the study indicated that young people under the age of 34 years dominate the largest portion of social media users in the Middle East. [4].

III. DISCUSSIONS OF THE PREVIOUS STUDIES

There is no doubt that the previous studies revealed important results, most of which studied the impact of social networks on the different communities and highlighted in particular the impact of social networks on traditional and electronic commerce. They also indicated how the social media impacts the purchasing habits of consumers and how Facebook dramatically helped strengthen relations between the different related parties.

In addition, the studies focused on the disadvantages of these networks and their impact on consumers. They suggested many solutions to ensure a higher security level while carrying out the trade exchange, in addition to setting standards for e- commerce and its various operations, as is the case with the traditional trade.

IV . I THE RESEARCH PROBLEM STATEMENT

Although the social networks play a major role in the different activities of the community, they were not closely related to trade. With the advent of digital information, the so- called e-commerce came to light, which are mainly dependent on the Internet. The study answers the following questions: are these networks used properly? Are these different networks used in supporting e-commerce? The study identifies the effectiveness of using the social networks to support the e- commerce.

V. THE RESEARCH METHODOLOGY

The SWOT analysis was used to determine the strengths and weaknesses, opportunities and threats through analyzing the previous studies which proved the importance of social communication tools and its relationship with e-commerce through these four items: strengths and weaknesses, opportunities and threats. Whenever the analysis is precise, it will be easy to select the proper research tool and get the accurate research results for the long-term. However, if the analysis is weak, the possibility of compromising the usage of social network communication methods and consequently the e-commerce will be negatively affected. [2].

A. The SWOT Analysis

The basic step to know the best tools in the process of e- commerce depends on the depth of understanding of the best social networking methods and the most appropriate to use in regards to social network communication methods that will identify the strengths, weaknesses, opportunities, and threats. Hence, the SWOT analysis was used for identifying the effects (negatively and positively) in regards to e-commerce. strategies used in retrieving and researching for information. This methodology is not just a description but an analysis to determine the role of each strategy in supporting the different social networks such as: Facebook, and LinkedIn.

B. The Internal Environment Analysis

The process of analyzing the internal environment means examining the social networks and identifying their importance and the strengths of the different social networks that are used as a platform to increase the awareness of trademark and publish stories related to the product. which are summarized in the following:

1) The Strengths

- Increased website traffic
- Greater understanding of the trademark
- Ability to monitor discussions about the organization or the product
- Ability to develop the marketing activities
- Development of visions about the target markets
- Expansion of new businesses
- Identification of the available opportunities for the new product or service
- Ability to measure the frequency of debates about the trademark
- Early alert about the development of the product or service.

2) The Weaknesses

- The purchase agreement through social networks does not allow consumers or buyers to recognize the properties of the purchased product, and then they discover its incompliance with the agreed-upon specifications. Thus, they could lose the amount paid.
- Lack of legal rules for the various networking websites that are considered an alternative to the traditional means
- The possibility of network penetration by hackers, which means the violation of customer privacy
- The possibility of using these networks in displaying pornographic materials that contradict customs, moralities and normal social behavior.
- The possibility of using e-commerce through social media in making fake contracts, embezzlement and fraud
- Failure to secure online information and dealing through the various social networks, with the possibility of penetrating the network. This is considered one of the most important obstacles facing e-commerce, as it could lead to loss of confidence among related parties and increase in unemployment rate because reliance on the human being will decline.
- The use of social media may boost expansion in e- commerce, and this may weigh on some monetary policies in a particular country

C. The External Environment Analysis

The external environment analysis helps researchers establish an early warning system in order to take the necessary preparations before the appearance of a potential threat. Therefore, the social networks will be optimally used to counter the threats, minimize the negative effects on e- commerce and keep the networks effective [10]. It can be summed up in the following:

1) The 0pportunities

A decision about protecting the privacy of social networking was approved by 37 countries in Strasbourg, French in 2008. It warns against the leakage of personal data available on the personal pages of social networking when indexed using the search drivers, as it can be used in banking fraud. [6]

The researchers mentioned some recommendations to maintain the information security when using the social media in e-commerce, including using a strong password (at least 8 characters, numbers and letters), not saving the password on the computer, sharing files across the network rather than the computer and encrypting the important files and e-mails. In addition, different accounts, identities or pseudonyms should be used for the different campaigns and business activities. [5][4][6].

2) The Threats

- Problems related to fees and taxes on e-commerce, especially when the social networks are used or when the country manufacturing the product and the consumer does not have an agreement to prevent double taxation.
- Problems related to piracy that violate the intellectual property agreement, as the hackers or imitators may steal the designs and use the trademarks (China is one of the countries that violate the intellectual property rights, especially the artistic works). [7]
- Problems related to the so-called crimes of assault and theft of the electronic signature and then the possibility of collecting checks for wrong people.
- Incompatibility between the effective laws related to traditional commerce and the mechanisms and means of e-commerce
- Some traditional activities such as trade of books, publications and music CDs and pens may face a state of recession. Libraries suffer from this problem, after it became easy for the reader to purchase such materials from the publisher via the Internet.
- The possibility of using social networks in illegal acts such as trading or concluding illegal weapon transactions as well as torture and organ trade.
- The problems related to the legal situation, as it may be difficult sometimes to find evidence to be reviewed upon the occurrence of disagreements and the development of e-commerce locally and globally.

CONCLUSION

The spread of Internet use in the world has led to the emergence of new concepts and approaches for communication and business transactions.

The development of social networking was accompanied by the evolution of mobile technologies and e-commerce networks. MasterCard conducted a survey of online shopping and social networking in 2015 (1), which showed that a third of respondents have made online purchase transactions through their mobile phones; a higher percentage compared with the surveys carried out in 2012 and 2013.

Meanwhile, the survey of Nielsen Agency (4) showed clearly the link between social networks and e-commerce. It indicated that more than (83%) of respondents are confident in the recommendations of friends and family members, while almost (66%) trust the consumer opinions posted on the social networks.

The development of social networks and expansion of its advantages led to a radical change in their role, to become a powerful tool for the implementation of the trademark's activities and strong sales. We find this evident in the most active seasons of the trade sector and the periods of promotions and discounts. [6]

The previous studies agreed on the importance of social networks in several aspects of life. They also agreed on several threats facing users and dealers on the different networks, especially in the field of e-commerce. Accordingly, we conclude the following:

• E-commerce via social networks differs from the traditional one, as it is performed remotely by people present at time but absent in place. This feature had an active role in setting different criteria from those related to dealing with the various parties of the traditional commerce.

• The borders between countries melted, thanks to the commercial transactions made through social networks. However, such networks established a new virtual world.

• The general standards and criteria of traditional commerce fail to cover e-commerce deals via the different networks in the event of a dispute as a result of the different nature of the transaction environment.

• If the personal and objective criteria able to solve the traditional commerce problems, its dependence on geographic settlement makes its application to e- commerce through social networking websites very difficult.

• The solutions offered to the problem of e-commerce through social networks face several difficulties, including the difficulty of recognizing the judgments issued by the arbitrators.

Therefore, we recommend the following:

• More attention should be given to social networks because they are available to a huge number of local and foreign consumers and can ensure the security of information and transactions.

• Companies should use social networks with other companies and customers because they are necessary and important.

• Users should keep up with latest global developments in the field of marketing products.

• Several studies should be conducted in the field of e-commerce to cover all companies and businesses.

• An in-depth study should be made on the social and cultural effects caused by the network when entering into conservative societies.

• The gap caused by social networks between haves and have-nots in societies should also be studied.

• A study should be made on the impact of social networking on the marketing and promotional information industry and the extent companies and businesses benefit from the networks.

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