SOCIAL COMMERCE (S-COMMERCE): TOWARDS THE FUTURE OF RETAILING MARKET INDUSTRY

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Abstract: *The term Social Commerce (s-commerce) is used to describe an emerging trend where the seller and buyer are connected to the online social media networking. Social Commerce is a subset of electronic commerce that supports social interaction between seller and buyer. It is assisting the user contributions in the online buying and selling of products and services. Facebook and Twitter are some of the examples of online social media networking in social commerce. This paper is based on an on-going research conducted with the purpose of evaluating the impact of Social Commerce in the retailing market in Malaysia. The proposed of 6 C's of Social Commerce, namely content, community, commerce, context, connection and conversation will be used as a guideline for the questionnaire in this research. This paper is discussing the finding from the pilot study which focusing from the one of outstanding state in Malaysia, which is Selangor Darul Ehsan.*

Key words: *Social Commerce, Retailing Market*

INTRODUCTION

Social networking media such as Facebook, Twitter and Instagram has become a platform that is easily accessible to anyone with internet access or wifi and proves out to be an inexpensive platform for the organization to implement retailing and marketing promotion. Principally for e-commerce business, social media could increase communication for website and create brand awareness and if done correctly improve the positioning in market (Sonam and Rajiv, 2014). Marketing through social media platforms, can be fast and powerful way to do the product campaign. Social media marketing programs usually centre on efforts to create content that attracts responsiveness and encourages readers to share it with their social networks.

As a quite new term, s-commerce still lacks a clear definition. According to Marsden and Chaney (2012) referring to s-commerce as a new stream in e-commerce

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deploying social network tools, but based on more personal, interactive and social relations. Yadav et al., (2013) give a more comprehensive definition where s-commerce refers to exchange-related activities that occur in, or are influenced by, an individual's social network in computer-mediated social environments, where the activities correspond to the need recognition, pre-purchase, purchase, and post-purchase stages of a focal exchange. Gatautis and Medziausiene, (2014) describe the concept as the integration of social networking capability into e-commerce sites, which include, but are not limited to, product reviews, rating, videos, blogging, live chats and online forums. It involves using social media, online media that support social interaction, and user contributions to assist in the online buying and selling of products and services.

The Concept of Retailing

Retailing emerged from the dark ages in the last two centuries. For instance, R.H. Macy, founder of Macy's initiated one-price buying when he opened his first dry goods store in 1858 [1]. Marshall Field's opened the first suburban department store in Illinois in 1930. However, no other innovation has received as much attention from retailers, manufacturers, consumers and the general public as has been accorded to Internet retailing, or e-tailing [1]. Retailing was a very fragmented industry in most countries 25 years ago. Through internal growth as well as mergers and acquisitions, an enormous consolidation has taken place in the industry [2]. Even though there are lot of definition of retailing, Robert defines retailing is more focuses on consumers. Consequently, over time there have been numerous predictionsabout changing consumer demographics and how demographic trends affect retailing [7][8][9][10]. Retailing also consists of selling goods and services to their ultimate consumers, that is, individuals who buy something for personal or household use [12].

Retailing is a commercial transaction in which a buyer intends to consume the good or services through personal, family or household use. Meanwhile, retailers refer to the business firms engaged in offering goods and services directly to consumers. The retail industry in Malaysia is controlled by the Ministry of Domestic Trade and Consumer Affairs through the Committee on Wholesale and Retail Trade. The Committee was set up in 1995 to regulate and supervise the industry, including foreign participation in the sector [3]. Retailing also include the important function may be summarized as physical movement and storage of goods, the transfer of title of goods, the provision of information concerning the nature and use of goods, the standardization, grading and final processing of goods, the provision of ready availability, the assumption of risk concertizing the precise nature and extent of demand and the financial of inventory and the extension of credit to consumers [11].

Retailing Industry in Malaysia

Global consumer spending in 2011 remained cautious in the aftermath of the global financial crisis and in persistently uncertain economic times. However, a strong local performance has fuelled steady growth in Malaysian retail, with a fair number of both international and domestic players expanding their operations. In addition, the country saw healthy 6% real GDP growth for the year, despite the volatile economic climate [4]. Much of this was driven by strong domestic demand, which came as a result of increased urbanisation and more locals enjoying higher purchasing power. Besides that, the consumer sophistication in terms of taste and preferences in the products consumed continued to rise in 2011 [4]. With more locals adopting urban lifestyles, this exposed a growing number of rural consumers to popular retail trends and marketing campaigns, ultimately influencing their purchasing behaviour. This was, in turn, reflected in the retail landscape, with companies introducing a myriad of new advertising campaigns, products and services to better cater for their increasingly discerning consumers. Grocery retailers saw value growth rates of more than twice that of non-grocery retailers. This was largely attributed to the strong performance of hypermarkets as chains such as Giant and Tesco have been rapidly expanding their network of outlets [4].

Retailing sustained its current value growth in 2013 versus 2012 despite the soft economic conditions during the year. While the economic conditions reduced many consumers' confidence to spend, some were still willing to trade up to premium goods to enhance their lifestyle. Retailers were also more aggressive in offering promotions, such as members' day, that further stimulated demand and willingness to spend. Malaysia's relentless efforts to drive tourism also benefited the performance of retailing during 2013. During 2013, consumers continued to gain exposure to international beauty and fashion trends as well as brands via the internet and overseas travel. With this, their acceptance level of new products and brands increased compared with the early part of the review period. Retailers were therefore eager to import brands from various countries to better meet consumers' demands. The high internet penetration rate among consumers in Malaysia further enhanced consumers' ability to access overseas sites and purchase products or brands that are unavailable in Malaysia. The weak economic conditions of Malaysia in 2013 due to the general elections adversely impacted consumers' confidence to spend. However, this was more pronounced in non-grocery products, with consumers fearful of overspending. Non-grocery retailing thus fell in value share versus grocery retailing in 2013, although maintaining a positive current value growth. Grocery retailing witnessed stronger current value growth than non-grocery as grocery products remained basic essentials. Aggressive promotions by grocery retailers in 2013 further sustained consumer spending [5].

The retailing scene in Malaysia saw intensified competition during 2013, with store-based retailers engaging in more aggressive price promotions to stimulate consumer demand. Store-based players also focused on improving their product portfolios to ensure better alignment with consumers' changing needs, while slowing down their expansion pace in 2013. Consumers' increased acceptance of internet retailing due to the ability to purchase brands and products that are not available in Malaysia also intensified competition within retailing for 2013. In order to drive new revenue sources, store-based retailers also started to offer internet retailing platforms. While internet retailing contributes a minute portion of sales, store-based retailers still viewed this as being able to help them better align themselves with consumers' needs. Retailing is projected to record positive constant value growth over the forecast period, although at a slower pace versus the review period. Malaysia's economic conditions are expected to improve in the forecast period, which will boost consumer demand. Rising disposable incomes of consumers will also increase their willingness to trade up to premium products that can improve their lifestyle quality. With this, more international brands are likely to enter Malaysia to tap into this opportunity. The Malaysian government will also continue to launch various campaigns to attract tourists, which will further benefit retailing in the forecast period. Internet retailing will also grow in prominence as consumers continue to use this channel to achieve exclusivity. However, this will heighten competition in the retailing environment during the forecast period and will drive an impending need for store-based retailers to seek new growth channels [5].

In addition, they also started to offer more non-grocery products such as apparel and electrical appliances. This has greatly increased their appeal as a one-stop shop for both the grocery and non-grocery needs of the average consumer. With the influx of foreign companies entering the Malaysian retail landscape, many domestic players have been under increasing pressure. Retailers such as traditional grocery retailers and stationers have seen sales plummet as consumers turned to foreign rivals boasting a more modern environment or even the internet. Even traditional local powerhouses such as The Store Corp Bhd saw value sales steadily decrease over the review period, especially in light of the strong competition from their foreign counterparts [4].

The Concepts of 6Cc in Retailing Market

Social commerce is a category of e-Commerce involving social media and peer influence. This type of commerce thrives on social engagement between consumers and their peers as well as consumers and the brands [6].

Community

It's important to view the audience that is interested in your business as a community. You want to develop substantial relationships with these consumers so they became a part of your customer community. Building these relationships can not only give you a positive reputation, but increase revenue as these people become return shoppers. Interacting with customers via social networks like Facebook, Twitter, and Instagram can be a good first step in creating these relationships.

Content

Publishing web content is essential for communicating with consumers, potential customers and investors. The articles and information published online about your business should be as detailed and engaging as possible. By creating highly engaging and relevant content, you invite your consumers to take a deeper look at how your brand works. This builds trust and keeps consumers interested in the brand especially if they have little interest in purchasing something just yet. User generated content (UGC) is a great way to mitigate the costs of custom content and leads back to developing a great community.

Context

Due to the ability of mobile phones and tablets to capture current events in real time, your business can certainly benefit. Your customers have the option of paying for goods and services via Paypal or Google Checkout, and can disclose their location on Facebook or Foursquare. This makes it easy for consumers to stay loyal to the brands they love and vice versa. Be available where your consumers are!

Commerce

When you're able to meet your client's needs such as additional product information, purchasing ability and technical support, you'll increase your sales significantly. The easier it is for customers to research, buy, or contact you, the more successful your company will be. Having strong "Buy" calls to actions everywhere on the site accompanied by an easy transaction interface, will have the customers feeling comfortable about purchasing from you.

Connection

Improve and establish your relationships with your staff and consumers by staying connected in the physical and online worlds. Make sure that your professional philosophies and level of customer service are consistent, whether

you're responding to a customer email or tweeting to all of your followers. When customers see that you're committed to quality service regardless of how you communicate with them, you'll retain their trust and loyalty. It also helps to maintain this same train of thought when interacting with your team.

Conversation

Finally, open up the floor for conversation. This involves more than just responding to a ticket about technical issues. Ask your Facebook followers which of your products they like best, and what you can do to improve your services. Talk about social issues that pertain to your company and pay attention to the feedback you get from clients. For instance, if you own a clothing store, ask your customers how important it is that you use organic fabrics. If you run a financial firm, talk to clients about their biggest concerns when it comes to retirement. Engaging in thought provoking discussion lets consumers know you're listening, and are always looking for ways to improve your company.

Problem Statement

There are myriad ways that social media sites affected commerce. The first, and most obvious, way how social media has affected commerce is that businesses now receive real-time feedback. With sites such as Facebook, Google+ and Twitter customer interaction response is almost instant [6]. This feedback does not just go back to the company that the customer has dealt with, it is also shared with the customer's online followers and friends. For companies receiving positive feedback this is a boon, and free advertising. Consumers also, of course, are able to leave negative feedback about a company or business [7].

In the days before social media, negative company experiences might stay within an individual's circle of friends; now, stories of bad customer service and disappointing products can run quickly through social media networks. It has become more difficult for companies contain its negative publicity [8]. Social media is an enormous conversation everyone is invited to join; with all that talk, it's difficult for businesses to track statements about their brand that are negative or even defamatory. Companies have the added burden of tracking statements and responding when necessary; the response, however, might be of limited effect if the negative statement has already made the social media rounds. Due to the problems mentioned above, it is significant to review the impact of social commerce in the retailing market in Malaysia.

METHODOLOGY

This research is based on the descriptive survey research. The population chosen for this study is a respondent which has experience with social commerce and

live in Selangor. In order to obtain information for this study, a questionnaire was used. The questionnaire has been distributed to randomly 30 respondents. Each respondent is given one week's grace to complete these questionnaires. Upon the estimated time frame, the researcher will personally collect all the questionnaires that have been sent out. This done to simply make sure that all the questionnaires were returned accordingly and within the stipulated time frame. The questionnaire is based on the following research objectives and research questions.

Research Objective

1. To investigate the impact of Social Commerce in Retailing Market in Selangor, Malaysia.

2. To examine the relationship between 6 C's (namely: content, community, commerce, context, connection and conversation) towards the level of acceptance of Social Commerce in Retailing Market in Selangor, Malaysia.

Research Question

1. To what extent is the impact of social commerce in Retailing in Market in Selangor, Malaysia?

RESULT AND DISCUSSION

According to G Darren and M. Paul (2006) stated that a correlation is often called a bivariate correlation to designated a simple correlation between two variables, as frequently observed in multiple regression analysis or structural equation modelling. According to Karl S. Pearson has credited on the assumption that two variables involved are approximately normally distributed, the formula often performs well even when assumptions of normality are violated or when one of the variable is discrete. Please do not panicked [9]. The following analysis will indicate which factor that gives impact to social commerce.

Table 1
Correlation between Factors

	Content	*Community*	*Commerce*	*Context*	*Connection*	*Conversation*
Content	1					
Community	0.279	1				
Commerce	0.493	0.259	1			
Context	0.319	0.259	0.259	1		
Connection	0.551	0.295	0.709	0.118	1	
Conversation	0.210	0.336	0.135	0.734	0.032	1

Correlation is significant at the level 0.05 level

Table 1 above identified that there is a significant strong positive correlation between Context and Conversation (r = 0734) at 5% level of significance. This mean that the society believe that the online facilities provided by any entity will relates to collaboration among supplier and customer.

Another two factors which indicate a strong positive relationship are between Commerce and Connection (r= 0.709) which means that the business activities correlates with interactions between individuals.

Content and Connection also indicates a strong positive correlation (r = 0.551) at 5% level of significance whereby we can conclude that the published content do attracts the interactions between customer and supplier or individuals.

There is also a strong positive correlation between Content and Commerce (r = 0.493) which shows that the growth in business activities rely on published information or content. Others factor also indicates positive correlation among themselves but it only signify small effect towards social commerce.

CONCLUSION AND RECOMMENDATIONS

Shopping has increasingly moved into the online arena in the past few years. Retailers quickly realised that they can market themselves on the web in today's' sharing social society. With the extensive influence of online social media on almost all facets of life, it has become a tool not just for creating social networks but also business networks. The impact of social commerce has brings a *new* wave of entrepreneurs *to* spice up their own business. The analysis showed that the factor of Context, Conversation, Commerce, Connection and Content contributed to the impact of social commerce in Selangor. Therefore, social media could be one of the best options to flourish their businesses.

We hope that our study will motivate future research into the impact of social commerce to the human capital aspects. Future areas of related study include: analysis of user browsing data to develop refined consumer choice models for social commerce, study of entrepreneurial and communication skills in both buyer-seller relationships, and the and challenges of the effects of globalization in Asian countries which could influence consumer choice in social commerce.

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