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2012

# A Social Shopping Model Proposal

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### Recommended Citation

Santos, Vitor and Gonçalves, Ramiro, "A Social Shopping Model Proposal" (2012). *MCIS 2012 Proceedings*. 20.  
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# A SOCIAL SHOPPING MODEL PROPOSAL

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## Abstract:

*Social shopping allows potential buyers to obtain information and opinions issued by other buyers with similar profiles, on products and services they are planning to acquire. On another hand, under companies' point of view, social shopping offers them a way to analyze the market and detect consumers' tendencies.*

*In the present article we propose a model that expands the models of current social shopping by adding the possibility of the community to proceed to self-determination of the products and services basket, by determining what they want to buy, and in some occasions, when. This way, instead of allowing a brand or product to create in the community users the need or will to buy, it is the community itself, through social networks, to self-influence in the sense of defining what are the products and services they want to be marketed and in what way, thus obtaining better prices and reaffirming its identity.*

*Keywords: Social shopping; e-business, business models*

## 1.INTRODUCTION

In the last decade, the World Wide Web has witnessed the emergence of Web 2.0 services, such as video sharing, blogging platforms, social networking and social bookmarking [12].

Social networks have conquered their space in our society's day-to-day, they continue to steadily grow and have nowadays a strong influence in people's decision-making. We know their behavior is influenced by several aspects, where the surrounding environment and contact list are paramount [10, 11].

Due to the number of social networks users and potential viral effect, these have become an attractive way in divulging products and services. The interest in knowing how to maximize the use of social networks has been a target in multiple studies in several areas of knowledge, from psychology, sociology, management and economics, being the marketing area the one trying to use these platforms heavily, in order to promote products and services.

Among several benefits and challenges brought by Social Networks, we can't ignore their potential in what e-commerce is concerned. To accompany the acceptance of cybernauts of these new communication spaces, like for instance Facebook, and understanding whether these users are as well motivated in participating and taking advantage of these platforms as online shopping places, seems to be a relevant issue.

In this article we propose a model and architecture for social shopping based on a social network where their members define and determine what and when to buy, instead of being influenced by brands or products who try to use the same community as a vehicle for marketing actions.

The present article, apart from this introductory section, is structured in four other sections: Social Shopping, Model Proposal, Architecture and Conclusions, and future work.

## 2. ON SOCIAL SHOPPING

Boyd and Ellison define social network sites as being web-based services, that allow individuals to build a public or semi-public profile within a limited system, to articulate a list of other users with whom they share a connection, to watch and go through the personal connections lists, as well as those made by people within the system [3].

Social networks have proven to be very useful and powerful beyond their initial competences. An example of it is their use in politics, teaching, marketing, and in many other activities and areas of collaboration and cooperation. In this context, a new area arises known commonly by social shopping [1].

Shopping has always been a social experience and social networking allows consumers to interact with individuals—many of whom are likely strangers [13].

Social shopping is a way of electronic commerce based on social networks, where «friends» influence others to buy [11]. Social shopping uses technology to mime social interactions found in malls and physical stores. On another hand, social shopping is also a way for a company to assess the market and detect consumers' tendencies on a product and/or a service. In the present day there is a social network created exclusively for this purpose, called Frugar (<http://my.frugar.com.br>). There are also plugins for social networks, as Facebook, for this purpose.

Frugar is a Brazilian social shopping network where one can find opinions of the members about products and services one can eventually acquire. It is a social network whose objective is to be a reference to people wanting to purchase something. One just needs to register to Frugar and create a list of products, contributing in the development of the community by commenting on them. It is also possible to add friends or meet new people with similar taste, and follow them to see what they buy or what comments they're making. The objective of Frugar is to have 1 million users during the first year of existence.

Some virtual shops use social networks API's in order to interact with the customer, in the form of social shopping, like Levi's Friends Store. Levi's created a social shopping channel, destined essentially to an audience with ages between 18 and 34. The channel is meant to be complementary to Levi.com electronic platform. Levi.com electronic commerce platform visitors can see invites to use Facebook Connect and «Like» the brand, or in jargon «to become a fan».

The customers' preferences are expressed by the «brand ambassadors» through a simple «Like» telling your friends these are your favorite jeans. For instance: «John likes 501 Original Jeans». The «Like» will show in Facebook feeds that takes the customer directly to the page with product details. Levi's Friends Store is filled with products where users and friends have manifested themselves via «Like» [2].

Naked Pizza held a promotion only divulged in Twitter. The result was a 15% increase of sales in a single day. Palm, needing to increase their smartphone device developed an application for Facebook. Users of that application registered and received news on the product. A message was sent to around 70 thousand registered users, and in 3 hours, 3 thousand had read them. The return of this action in sales was made clear [5].

«Sony Electronics» chose to use social networks as a blog, which allowed maintain contact between the user and the company. In the end, this company was reachable in other social networks as Youtube, Flickr and Twitter. Through these networks they could convey information on their products to consumers [6].

The constructor «Tecnisa» uses Twitter to divulge their services. An example of success due to the use of this tool was the sale of an apartment by users who followed the company via Twitter [5].

In Portugal, «Tap» and «Coca-Cola» show themselves in social networks using these with the objective of showing their customers their products/services and promotions [9]. «PT» uses Web 2.0 tools to make available online support to their customers, allowing in a quick and effective way the enlightenment on wuastions [7]. «Sol Mélia» group resorted to Web 2.0 tools to get more information on their clients, and thus keep updated and prepared according to their demands. To do so, the group assigned several employees the task of maximizing the use of social networks use, in order to make business and getting to know the clients better [8].

### **3. MODEL PROPOSAL**

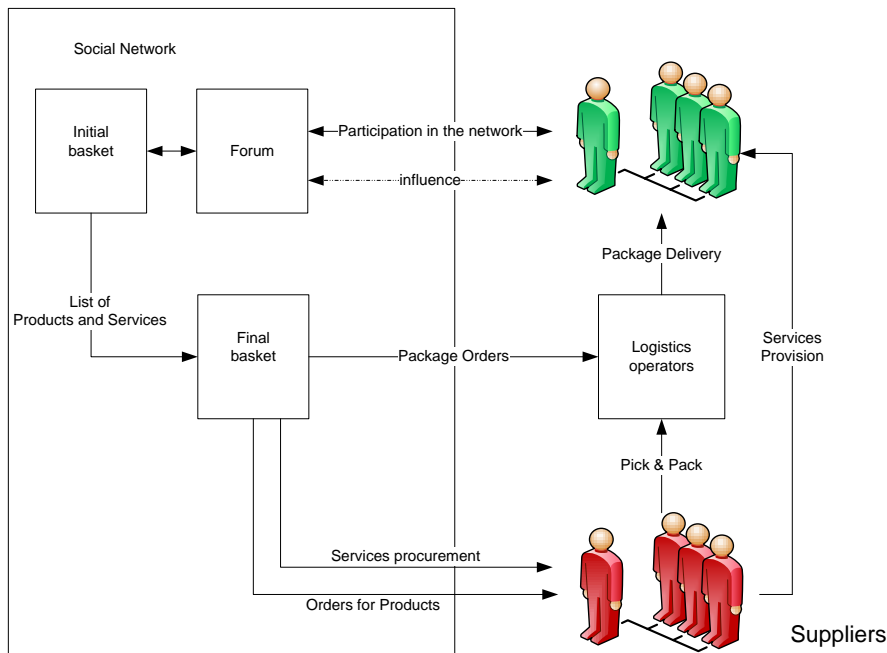
The presented proposal in this work consists on a new social shopping approach, where the community itself determines what they are interested in buying (basket) and, in some situations, when. This way, instead of letting a brand or product create the need or will to buy on the users, it will be the community, through a network effect to self-influence, in order do define what they want to buy, by assuring exemption related to brands, products and services. The management of the community has as major tasks to propose products and services, and to handle the whole process, from the client's choice to delivery and due payment. Such a community allows two important things: on one hand, it's the very community that defines the basket of products and services they mean to acquire, translated in a specification for potential suppliers and ulterior contractual agreement; on another hand, after a while, it will be possible, resorting to data mining techniques, to create a concept that effectively represents the community.

The model we propose is based on a members community, interested in a certain set of products, come together to determine in a certain time period, a basket of products and services to be acquired.

The community starts by proposing a relatively vast basket. The members then point out their preferences, and make comments on the products and services in the basket, which will influence the choice of other members.

When the moment or pre determined date is reached, they define a products basked for that period of time, based on the community members' preferences. This products choice process can be achieved based in the comments analysis or simply through vote.

When the basket is set, so is its cost, and a period of ordering/payment is opened. At the end of this period the orders are handed to the social shopping store suppliers and to the logistic operator, in charge of product pick & pack. This process is illustrated in Figure 1.



*Figure 1 - Social shopping model with self-defined shopping basket*

At the same time, the community management will have to ensure total exemption related to brands or products intrusion that try to influence direct or indirectly the array of the products in the basket.

#### **4. ARCHITECTURE**

A social network site has as main asset to act like a destination hub to those who want to build or expand their social and professional networks, by establishing a relation with people of similar interests.

A social network site incorporates several tools that allow people to interact, to contribute with information, take part in several activities, and to build, in an informal and voluntary way a «sense of community». It may also be considered a provider of communication and collaboration supplier, as well as a contents infrastructure.

Usually, social networks architecture applications have specific components that allow:

- Defining an online profile (or character;
- Listing personal preferences (for instance friends and colleagues)
- Receiving notes on their connection activities
- Taking part in group or community activities
- Configuring preferences and permission control.

Some social networks provide automatic and advanced services, as event analysis and statistic functions.

These can be linked to support platforms in order to integrate some necessary functions to their activity, which are though not assumed as main functions (e.g. directory and safety). In Figure 2 we present the base architecture of a social network site.

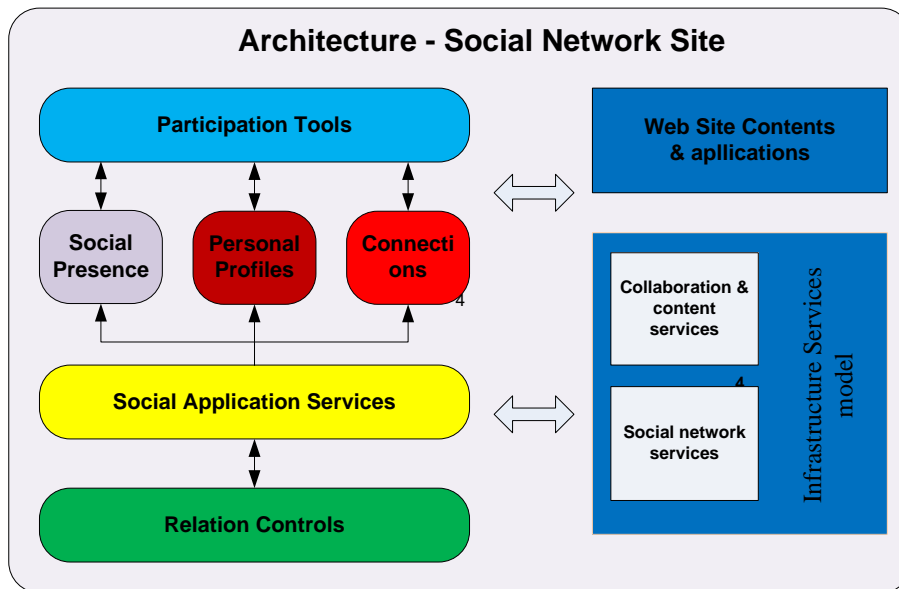


Figure 2 – Basic architecture for a social networking site (adapted [4])

In order to make possible this social shopping model we must change its basic architecture, by adding functions that allow the commercialization and sale of products and services, and that make them available to the participation of its Members in defining the products basket.

Therefore, as shown in Figure 3, we propose to include a new commercial services module within the infrastructure, and a new participation tool in a designated community for shopping.

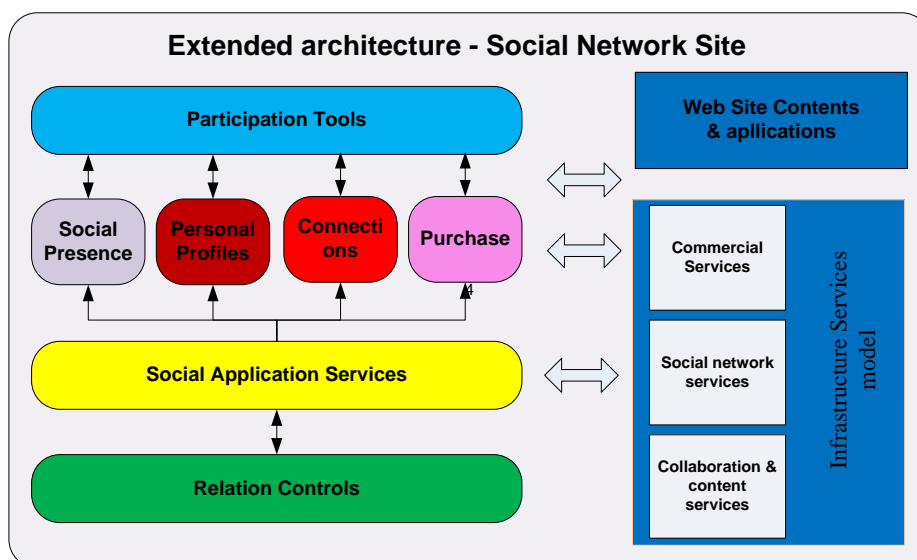


Figure 3 - Extended social network site architecture for social shopping

The community participation tool is a generic module that aims at allowing community members to access aggregated lists of products and services, to comment and select them (by

including here the possibility of the choice being made through vote) to be part of the purchase basket. This tool adds value to the network, for it allows increasing the level of participation of social network users, as well as help them satisfy their consumers' wants.

The commercial services infrastructure increases the social network's functionalities so as to integrate typical electronic commerce services. The minimal architecture for the infrastructure is presented in Figure 4. In electronic commerce, unlike in physical stores, where the client is face-to-face with the vendor, receiving the merchandise first and paying after, usually the client pays first, the store confirms the payment, and only there the merchandise delivery process is started. This is due to the fact the store has to confirm the payment. So, from the store's point of view, when a payment is made, a request is created, which is only considered a package after the payment is verified. After the confirmation the merchandise delivery process to the supplier starts, usually involving a logistic operator. He collects the products in the warehouse or suppliers, separates them by individual order and delivers the package to the client during the agreed time.

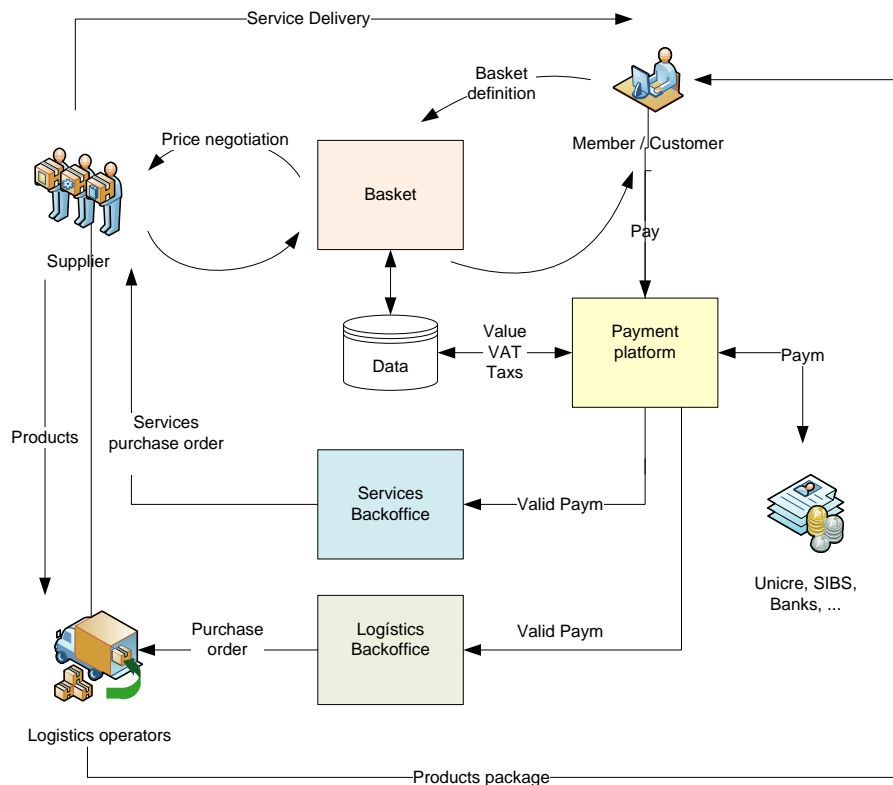


Figure 4 - Minimal architecture infrastructure for services business

Commercial services infrastructure management is done using a backoffice tool, that must be functional to at least manage the basket, update the product categories, products, prices, manage payments and packages. This tool must also allow to manage suppliers and logistic operators, as well as conveying marketing data.

## 5. CONCLUSIONS AND FUTURE WORK

In this article, we want to contribute in the debate on social networks and electronic commerce, by proposing a social shopping model that allows self determination of products baskets the

very community determines they want to acquire. The model is based on a structure which is capable of self influence, where members, sharing common interests, have the ability to define a basket of products and services, and in the process, to strengthen and evolve their identity.

In the attempt that this social shopping model adoption be viable, we also propose a revision of the social network base architecture, by adding functions for the commercialization and sale of products and services, to make it ready for the participation of its members in defining the baskets of products and services.

As a future work, we aim at an adaptation of the model in supplying and aggregation of services, as well as the effective and commercial implementation of a social shopping network based on this proposal.

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