Chapter 12
Benefits of Using Social Media Commerce Applications for Businesses

Ardian Hyseni
South East European University, Kosovo

ABSTRACT
Social media commerce has changed the way of commerce globally; customers are affected more and more by social media, in decision making for buying a product or a service. While in the past people were affected by traditional marketing ways like newspapers, televisions and radios for buying a product, nowadays, through social media customers can find feedbacks and reviews on social media and can see thousands of photos of a single product with less a minute of searching in a social networking sites like. With the growth of social media’s impact on businesses, social commerce has become a trending way of making commerce. In this paper it demonstrated a platform for businesses to make commerce through Facebook which is called Facebook commerce.

INTRODUCTION
Social media ecommerce is a trending way of making business over the internet, despite ecommerce that is made by websites, nowadays social media has made it available to buy and sell products over social networking sites like Facebook, twitter etc. Social media isn’t just about posting a feed on Facebook or twitter, or putting like button or comment on your website, it is about connecting customer directly with your website and making visitors loyal customers. Ecommerce dates since 1994 when Jeff Bezos founded Amazon.com and in 1995 when Pierre Omidyar started P2P marketplace eBay (Shaefer, 2014). Both these sites were social networks seen as marketplaces for products with discount price. Customers could leave feedback, post reviews and comment for the products they bought. This was new era of commerce through internet was born. After eBay and Amazon, in 2004, Facebook was founded by a group of Harvard students. Facebook now is a leading social networking site based on the number of users and fan / business pages (Collier, 2012).

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Businesses want to connect with people and customers which they do business, they want their customers opinion and reviews (Safko, 2009). By using social media, companies now can easily create interaction between company product and the customer. To understand and hear the voice of their customers, businesses need to keep up to date with the technology. Social media marketing is constantly evolving; sites like Facebook, Twitter, LinkedIn are leaders in the online networking which are the current communication trends (Corson-Knowles, 2013). Businesses need to combine new technologies with traditional marketing to increase the sales revenue (Varela, 2015). Social media is not just another way of marketing; it has to become a integrative part of a company. It is understandable that businesses should take more seriously the involvement and planning of social media for commercial gain.

Most of the ecommerce sites have started implementing social media networking site services in order to improve interaction and increase active participation of user in order to increase revenues (Kwahk & Ge, 2012). In a social networking sites users can get answers and interact with each other in order to get more information for a specific product or service. When user wants to order a product online, he or she can ask and find out more information on the social networking site. The aim is to examine how much people do use social media commerce and what is the impact of social media in people’s decision making during the buying process in ecommerce.

Social networking sites consist of large number of users who are potential content generators and massive source of information (Underhill, 2008). Users generate new ideas, advertise and add a value for a little cost while increasing the effectiveness by understanding customer needs, identifying potential customers, and building customer loyalty (Kwahk & Ge, 2012). The increased number of users in social networks has led to a new shopping trend where people leverage social networks to make the right purchase. While businesses spend thousands of money in marketing, it is considered as a temporary investment, in a TV or Newspaper, in social networking sites people who engage at your page they become a lifelong loyal customers (Kwahk & Ge, 2012). Businesses do not need to pay for advertising in social shopping, they can post products in their business page and all customers who follow that page are able to see it (Chaffey, 2011).

Problem Statement

Before discussing social media commerce, we need to analyze a bit of traditional marketplaces that were formally created in Europe around 1000 AD (Schaefer, 2014). Towns and villages were competing with each other towns and villages for commerce legal or illegal until few rules were applied usually by church or mosque leaders. Traditional marketplaces were highly personal and interactive between seller and customer. People usually were standing face to face with the seller, looked them in the eye saw also not only as a seller but also as a personality, and bought with a firm handshake (Schaefer, 2014). People purchased goods from people they knew and trusted or were recommended by a friend or relative. People visited or passed through workshop or farm on the way to market and expected transparency and loyalty from seller where they could buy products right in front of them (Mikalef, Giannokos & PAteli, 2012). If people felt cheated they knew where and whom they bought from and they could be knocking at seller’s door.

In traditional marketplaces success of sellers depended on word of mouth or people’s recommendation, feedback on quality, service and pricing was constant and immediate [6]. That time, there was no advertising so you needed to treat people right, it was sellers themselves who created their own authority of their shop or workshop. So if seller cheated a buyer, the word would spread throughout the market-