

Moving from B2C to Social Commerce: Case Study Zalora.com

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Abstract — The rapid development of information technology (IT) gives a lot of impact, widely used by a lot of people, organization and businesses and there is a potential to transform from a common B2C to a social commerce which is more centered on customers. However, this phenomenon has yet fully understood due to lack of study on social commerce. This study offers a review of design principle objectives in social commerce and uses it as guidelines to two leading social commerce platforms which are Zalora.com and Zalora Facebook. Some review papers show that the commerce objectives for each design principle layer is focusing on identifying user preferences, develop conversation, building community, motivating users and providing high quality websites. This allows user to give opinions and comments as it helps other users to choose the best products for them. The findings showed that any B2C commerce needs to move towards social commerce in order to leverage their business by applying all the social commerce design features that are necessary.

Keywords – B2C; social commerce; design principle; design features

1. INTRODUCTION

Nowadays, information technology (IT) is growing faster and used by a lot of people, organizations and businesses. In most businesses, IT is implemented as a tool to execute their business, to interact with customers and to promote the organization's products. With the help of Internet and IT, one way of doing business using IT is through electronic commerce (e-commerce). Pertaining to this paper, e-commerce will be narrowed down to business to consumer (B2C).

With the rapid development of social media and online businesses such as Business-to-Consumer (B2C), there is a potential to transform from a common B2C to a social commerce which is more centered on customers. Social commerce refers to commerce activities mediated by social media [1]. According to [1], the term social commerce appears in the literature officially in 2005 which refers to a new way of doing commerce. Through social commerce, consumers are able to share information, experiences and opinions about what (products), where and from whom to buy [2].

There is the need to better understand on how business could utilize social media. In other words, not every business should engage in social media to support online business activities [3]. There are many times that businesses are faced with the dilemma of deciding which social media services they should participate in, so that they can coordinate their social commerce activities with the existed electronic commerce and offline activities [4]. Based on this information, this paper seeks to analyze social features in social commerce through the case study on Zalora.com and Zalora Facebook in order to understand the design features that influence B2C towards social commerce. Generally, this paper is organized as follows. Section 2 describes about theoretical foundation for this review paper. Section 3 is about the design principle of social commerce. Section 4 will be the case study and concluded by Section 5.

2. THEORETICAL FOUNDATION

A. Business-to-Consumer (B2C)

Modern businesses are currently using social media to connect with their consumers, which is a type of B2C. [5] stated that B2C has grown form online retailers to services such as online banking, travel services, online auctions, health information and real estate site. Business-to-consumer or simply known as B2C in short, can also be defined as direct shopping activities through online portals. It is also known as a type of commerce between companies and their consumers.

With the current trends in direct shopping scenarios nowadays, it clearly shows there is a degree of uncertainty in the knowledge of sellers and buyers [6]. Sellers usually know very well about the features of their products that they put for sales, whereby buyers usually lack of information of what they can find about the products. This will lead them to naturally

specify their preference in an unclear way [7]. Due to this lack of knowledge, consumers are attracted to buy the most popular products although it might not be the best or the most suitable from a perspective of quality and cost.

B. Social Commerce

The term “social commerce” is first introduced by Yahoo! in 2005, with the earliest academic article entailing it in 2007 [2]. In social commerce, each stakeholder has the opportunity to simultaneously play multiple roles, for example as a buyer, a seller and a reviewer. B2C as a new phenomenon which is widely acknowledged in 2005, social commerce presents new opportunities to examine issues related to information, content, business strategies, management, technologies and the behavior of people [1].

With the recent trends that point towards an even more productive expansion from web-based to mobile-base, the concept and the practice of social commerce have always been constantly evolving. While traditional ecommerce supports the transactional and informational aspects of online shopping, social commerce fulfils the social aspects of shopping, and potentially enhances the informational aspect as well [8]. Since social commerce is considered as the next generation of commerce, they are expected to inherit some of social features which are listed in TABLE 1.

C. Design Principle

Design principle can be defined as statement of architectural principle that explains further on the specification. For this paper, design principle is applied for social commerce purposes. Design principle consists of several features that define the principle. Such features are usability, information quality, website quality, system quality, service quality and playfulness. However for this paper, we will focus on the design features of the design principles which we had listed down at TABLE 2.

In order to understanding the social commerce, the design principles and their features of the social commerce need to be understood. Since the goal of social commerce design is to encourage customer interaction, support customer decision making and encourage customers to return [9], we study the design principles through user perspective. We come out with the design features that help users to interact with each other, support their decision making and encourage customers to return to the website. We have listed the design features for social commerce in TABLE 2, whether the website applies or not the elements of social commerce website.

3. DESIGN PRINCIPLE OF SOCIAL COMMERCE

This section focuses on social commerce designs that have been studied for the design features and be applied to e-commerce. Social commerce design principle for commerce objectives is presented in TABLE 1. This table identifies four layers of social commerce and their design principle which are Individual, Conversation, Community and Commerce. As [11] argues, individual is the first layer in social commerce design, which refers to providing a sense of self identification and awareness that can be recognized by others. The second layer of social commerce design is conversation, which offers a variety of interaction features among participants in order to establish a community. The third layer is community building. Communities are groups of people who can support each other’s decision making. Then, commerce is the outer layer of social commerce design that is supposed to harness community effects to engage participants with services and applications provided by outline businesses.

TABLE 1: Summary of social commerce and their design principle for commerce objectives

| Design Principle | Commerce Objectives | References |
|-------------------------|--|------------------------------|
| Individual | To encourage individuals to generate content | [11, 12, 13] |
| | To motivate participants to share content | [11, 12, 14, 15] |
| Conversation | To encourage intense interaction among participants | [11, 16, 17] |
| | To build communication around topics | [11, 14, 15, 18] |
| Community | To allow relationships to be established and a community to be built | [11, 12, 17] |
| | To provide collaboration among participants | [11] |
| Commerce | To link with people who have similar shopping interests | [11, 14, 17, 19, 20, 21, 22] |

| | | |
|--|--|--------------------------|
| | To resolve customer uncertainty about what to do or buy | [11, 14, 19, 20, 21, 22] |
| | To present expert recommendations | [11, 14, 19, 20, 21, 22] |
| | To facilitate listening to / watching people's experiences and feedbacks | [11, 19, 20, 21, 22, 23] |
| | To involve customers in the process of product design and development, editing, evaluating and submitting design ideas | [11, 14, 17, 18, 22] |
| | To offer advertisement services and applications | [11, 18, 22, 23] |

There are multidimensional features that are naturally connected throughout all four layers of social commerce design, and they need to be considered as a whole. They include information quality, system quality, service quality, usability, and playfulness. For example, within the individual layer, information should be accurate in a participant's profiles, updated information may motivate social activity in building communities, and complete information may make product descriptions more useful. In addition, offering systems and services of good quality are helpful to identify individuals (e.g., highlighting participants' activities), encourage participation (e.g., following up services), maintain relationships (e.g., quick responses) and achieve commercial outcomes (e.g., secure payment). Furthermore, there is a need to ensure, throughout all layers of social commerce design, that the system is easy to use and provides users with an enjoyable experience.

4. CASE STUDY

In order to lead other B2C commerce into moving to social commerce, we select the most popular B2C commerce website in Malaysia which is Zalora. This online shopping website is our main target for this study due to its ranking as the second top of B2C commerce as stated in [10]. Moreover, this B2C commerce website is becoming a trend amongst of Malaysian shoppers nowadays because of the implementation of the newest and most innovative business model which sells variety of products such as clothes, shoes, bags, watch, and others. In the Malaysian context, Malaysia has a high Internet penetration and social media engagement, as well as rapid rise in per capita income make online retailers is very business-friendly. One of the most interesting tools provided by Zalora.com is the usage of 3D view of picture of their products such as large image together with the back side and in front views.

FIGURE 1 shows the interface of Zalora official website. In addition, Zalora established a Facebook page as featured in FIGURE 2. Zalora's official website is categorized as B2C commerce websites that already implementing a few of Web 2.0 tools meanwhile Zalora's Facebook is categorized as Web 2.0 platform that added with some e-commerce features. This two categories are expected to show the differences of the main features within the two websites.

In order to get better understanding on our study, we are focusing on what Zalora applied in their design features as studied by [11]. From the summary of design features tables studied by [11], we use it on TABLE 1 and concerning the main objectives that related to our focus. It is a list of the design features whether they apply or not to both of the targeted websites. Generally, the social features and commerce features can be seen clearly and straightforward in both websites as they aim to those features onward. Several types of subject are presented in a right way based on various format that enable users to substantially consult the displayed information and interact with services together with their application effectively.

In regards to TABLE 2, individual design principle is clearly shown via the two websites when users log in. Recent purchase history and special price is highlighted in their profiles on both Zalora.com and Zalora's Facebook, which can attract users' attention to look at the particular products. Meanwhile, the conversations concerned on the core topics which is able to draw users' participation in the attractive ways about products that they like. For example, when looking for blouses, the site shows a number of blouses with 3D images in particular side. On the other hand, Zalora's Facebook show users interest and recent activity. For example, they are willing to share their comments with other people who use those products. However, Zalora.com do not have social content presentation and automatic generated notification. Therefore, there is less support for user engagement in Zalora.com. There is also no notification messages that could be generated and automatically delivered to user's friend.

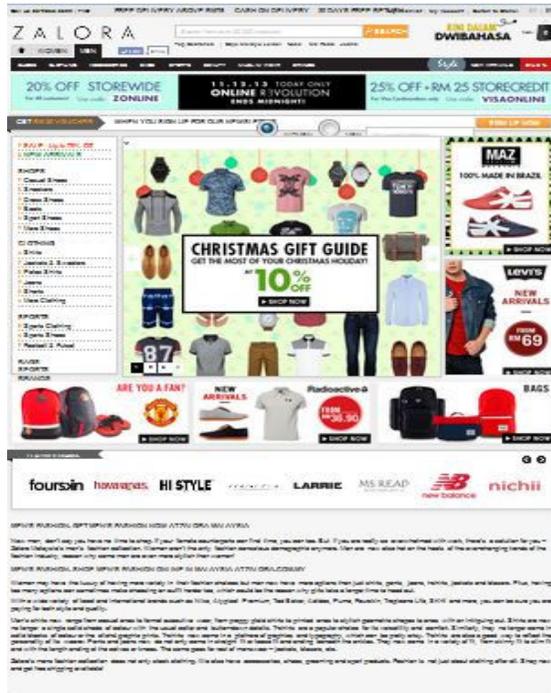


FIGURE 1: Interface of Zalora website

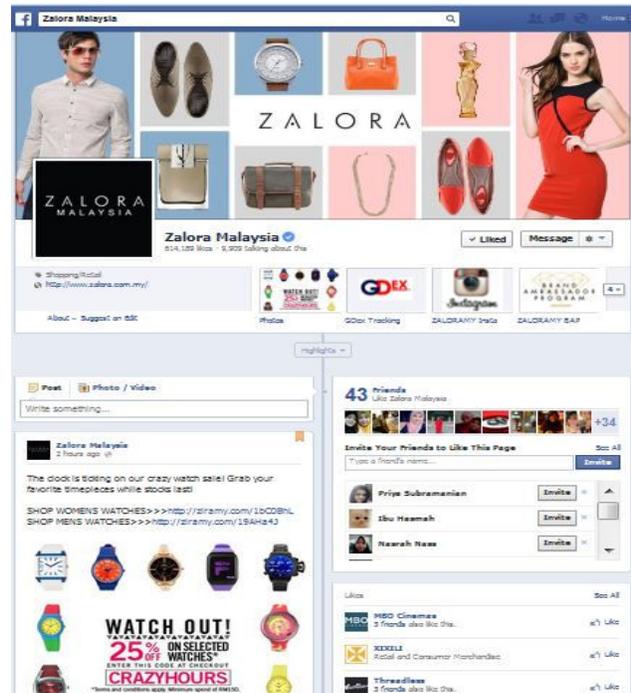


FIGURE 2: Interface of Zalora Facebook

TABLE 2: Design features of Zalora.com and Zalora Facebook.

| Design Principle | Design Features | Zalora.com | Zalora Facebook |
|------------------|-----------------------------|------------|-----------------|
| Individual | Personal profile | √ | √ |
| | Content profile | √ | √ |
| | Activity profile | √ | √ |
| Conversation | Social content presentation | X | √ |
| | Content focus | √ | √ |
| | Notification | X | √ |
| | Content creation | √ | √ |
| | Information sharing | √ | √ |
| Community | Community support | X | X |
| | Connection | X | √ |
| | Participant control | √ | √ |
| | Relationship maintenance | X | X |
| Commerce | Group purchase | X | X |
| | Social proof | √ | √ |
| | Authority | √ | √ |
| | Reciprocity | √ | √ |
| | Participation | X | √ |
| | Social ads | √ | √ |
| Common features | Information quality | √ | X |
| | System quality | √ | X |
| | Service quality | √ | X |
| | Usability | √ | X |
| | Playfulness | √ | √ |

(√ = covered, × = not covered)

For community design principle, both websites proved that there are several commerce design features that are missing for the community part. There is no communication approach that can link users with people who have the same shopping interest. However, if the website can display other participation on the products, it possibly can generate more engagement within the community. For commerce design principle, Zalora Facebook does not have “Ordering” and “Paying” for items online unlike Zalora.com. Bear in mind that our study discusses the understanding more than “Ordering” and “Paying” for items online but it includes the steps “before and after the online transaction”. Eventhough no online transaction mechanism within Zalora Facebook, this website gives a variety of commercial advertisement and disperses information about Zalora products, news, special price and events to a wider range of customers.

Zalora’s Facebook provides social support in real time with “Like” and “Share” button to develop user participation. Moreover, the website offers rich social content in various format such as text, photo and video. However, these design features eventually will be the necessary elements of B2C commerce. Zalora’s Facebook is therefore considered as an instance of social commerce. It is important to make the users able to see the sellers on their social media account because most of the current users prefer to follow product’s update in their social network line since this platform is faster and easier to connect with. It also shows number of people who are already fans of this page and it can make the user feels more confident with the seller’s website if they can figure out about their mutual friends who already become seller’s fans or customers. Hence, the company should pay more attention to the individual, conversation and community layers in order to ensure that website services support all customer purchase behaviours. The commerce layer is also important as the core principle in B2C e-commerce but it can later be developed.

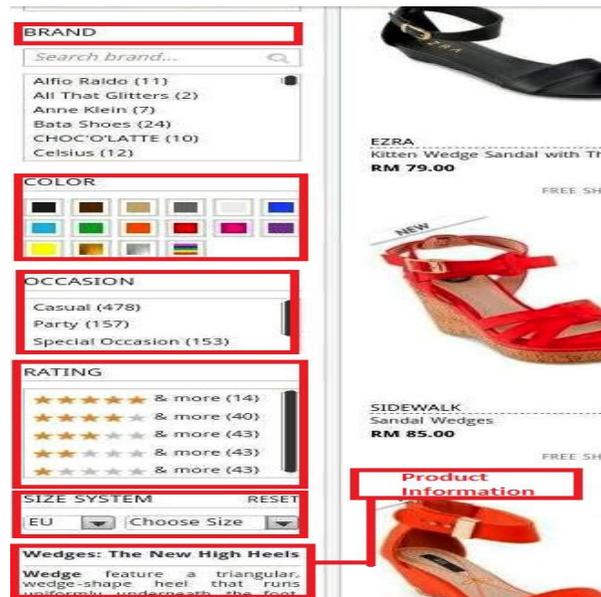


FIGURE 3: Additional design features from Zalora.com

Besides that, Zalora.com also provides a few of additional design features that help user to choose the best product faster and without trying it. For example shown in Figure 3, Zalora.com use “Brand” and “Color” that can be suited according to the customers’ preferences. There are also “Occasion” in which customers can match with their which occasion they like. Zalora.com provides “Size System” can be selected according to world’s size definition and they are information of the products provided on this website. These additional features really benefits the customers. In Zalora.com, “Rating” shows the product’s ratings that are very helpful to select the best qualities and knowing what is in trend. All these kinds of features give good impact on Zalora which has been proven by serving 600 million potential online shopping customers.

Based on TABLE 2, we found out that some features exist in Zalora.com, while some are present on Zalora’s Facebook. This will be further illustrated in TABLE 3 as below. We also suggest some modifications for Zalora.com to better suit with current trends in social commerce.

TABLE 3: Suggestion table for social commerce in Zalora.com and Zalora Facebook

| Design Principle | Design Features | Zalora.com | Zalora Facebook |
|------------------------|------------------------------------|------------|-----------------|
| Individual | Personal profile | √ | √ |
| | Content profile | √ | √ |
| | Activity profile | √ | √ |
| Conversation | Social content presentation | X | √ |
| | Content focus | √ | √ |
| | Notification | X | √ |
| | Content creation | √ | √ |
| | Information sharing | √ | √ |
| Community | Community support | X | x |
| | Connection | X | √ |
| | Participant control | √ | √ |
| | Relationship maintenance | X | x |
| Commerce | Group purchase | X | x |
| | Social proof | √ | √ |
| | Authority | √ | √ |
| | Reciprocity | √ | √ |
| | Participation | X | √ |
| | Social ads | √ | √ |
| Common features | Information quality | √ | x |
| | System quality | √ | x |
| | Service quality | √ | x |
| | Usability | √ | x |
| | Playfulness | √ | √ |

For community, the absence of community support and relationship maintenance in both Zalora.com and Zalora's Facebook shows that Zalora lack of real-time support elements. Real-time community support can help Zalora's customers to ask questions in real-time basis and get instant feedback. When this features included, it shows that Zalora is keen to serve their online communities. Other than that, relationship maintenance helps Zalora customers get instant updates on Zalora online communities just the way Facebook does on Zalora's social activities such as Zalora's event.

According to design principle of commerce, we identify that Zalora.com and Zalora's Facebook also lack of group purchase element. For our suggestion, Zalora must provide link for people who have similar shopping interests and provide customer shopping lists to share their shopping lists with more people. Beside that, Zalora.com must involve customers in the process of product design and development, editing, evaluating and submitting design ideas. Other than that, we suggest that Zalora.com provide advertisement services and applications to improve their quality of website. In Zalora's Facebook, we identify that there is lack of information quality, system quality, service quality and usability. It is because Zalora only focus on Zalora website to market their products.

5. CONCLUSION

As online retailers, considering social commerce design principle, it is necessary to be alerted and care about the relationship among participants, community, conversation and commerce. Finding of the study shows that the commerce objectives for each design principle layer are focusing on identifying user preferences, develop conversation, building community, motivating users and providing high quality websites. These features allow user to give opinions and comments as it help others user to choose the best product for them. In order to achieve those objectives, all the social commerce design features are necessary in applying all of them at once. More importantly, the flaws of Zalora.com and Zalora Facebook that has been identified could be solved by using our suggestions as mentioned in the previous section. For example, in Community provide real time Chat to enable the community received support in real-time for both websites. There are some limitations of this study. For example, it is limited to Zalora's website and Zalora Facebook in Malaysia. The recognition of e-commerce and social commerce design characteristics is based on the reviewed state of the art.

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