

8 Business Tactics when building a Social Commerce Platform

The marriage of social media and e-commerce has given birth to a new phenomenon named Social Commerce. Profitable businesses having succeeded to build social commerce platforms have proved it to be a lucrative concept. However, uncertainties remain regarding how to successfully build such a platform. 8 prominent Business Tactics for building a social commerce platform have been identified following a master thesis at Lund University.

Over the past several decades, we've seen a rapid deployment of web-based technologies which has drastically changed the way most businesses operate. For instance, the diffusion of information and communication technologies have paved way for entirely new types of businesses and business models. Among these is social commerce, a phenomenon rooted in Web 2.0 technologies and social media.

As social commerce, described as the marriage of social media and e-commerce, is emerging so are new business opportunities and associated with those, strategic questions. To help these new businesses on the rise, we propose a framework of 8 business tactics providing strategic guidance when building a social commerce platform. If possible, the Business Tactics should be perused in the order they are listed below:

- Build up demand side first
- Identify a product with an adequate market fit
- Create instant product value
- Identify frequent application contexts that provide organic retention
- Create engagement triggers and encourage community interactions
- Get the supply side on board by leveraging the demand
- Define connections and engage transactions
- Ensure that monetization doesn't cannibalize on trust within the network

The research is mainly based on a comprehensive literature review coupled with expert interviews and mini case studies of companies having successfully built a social commerce platform.