

Point of View

An Opinion Paper on Information Technology



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Summary

Social shopping is an emerging trend, which allows people to share their views on a product which they want to buy. It allows people to seek opinion from others in their community to make shopping decisions. Online retailers benefit most from it as it helps them create brand awareness, increase sales and positive word of mouth. Today, as the marketplace is flooded with a choice of smart phones, social shopping experience is being extended to mobile phones. Retailers are exploring solutions to establish their social media presence on the Web as well as mobile platforms.

Company Profile

Sonata Software, headquartered in Bangalore, India, is a leading IT consulting and services company. Sonata's customers are located across the US, Europe, Middle East and the Asia-Pacific region. Its portfolio of services includes IT Consulting, Product Engineering Services, Travel Solutions, Application Development, Application Management, Managed Testing, Business Intelligence, Infrastructure Management and Packaged Applications. As per the industry rankings released by NASSCOM for 2008-09, Sonata Software figured among the Top 20 IT Software Services Exporters in India for the second consecutive year. Sonata Software has also been ranked Global #2 in the 2008 Top Ten ESO: Outsourced Software Development in The Black Book of Outsourcing.

Social Shopping: Revolutionizing the Retail Industry

Meenakshi Kakar

Internet has proven to be a great enabler for people to keep in touch with their friends and build communities online. Today, mobile phones is extending this experience by providing content and helping people remain in constant touch with their communities while on the move.

Social shopping is an emerging phenomenon, based on the assumption that people trust and are heavily influenced by people they are compatible with, share interest or other similarities.

Impact on the Retail Industry – the rise of “social shopping”

Social networking has definitely impacted the Retail industry with the growing concept of “social shopping” wherein one’s purchasing decisions are influenced by others in their communities.

Social shopping allows people to post comments on products, vote for a product / service of choice, share views on a product or service and rate them.

“Facebook Connect” is fast emerging as a platform for retailers to create brand awareness and spread positive word of mouth, which are bound to have a huge impact on their sales. Facebook uses PayPal as its payments provider and has brought together two of the most potent forces on the Internet – e-commerce and social networking.

Some retailers, like “Charlotte Russe” are implementing social shopping platforms to enable shopping sessions on their websites. There are several other similar platforms to provide shoppers with a group Web browsing experience. Retailers like “Levis” have also jumped on the bandwagon by creating a “Friends Store,” which pulls in pictures of your friends who’ve “liked” a particular item, essentially customizing the entire experience to be Facebook-friend centric and also allowing you to invite all your friends to that shopping experience.

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The impact of social shopping can be gauged by a German skincare retailer's admission that its sales increased by 15% and average order value upped by 50% since it launched a social shopping tool on its e-commerce site.

Social Shopping: Much more than shopping

Social shopping is not only about products or purchases but it also brings together the best of e-commerce and social networking.

Social shopping not only helps retailers create promotion opportunities but also enables them to talk to their clients as well as prospects and helps them get powerful insights on their products, which can help companies grow.

Social Shopping: Opportunities in the Mobility segment

Mobile social networks are widely accepted as they cater to a wider audience than the universe of PC / Internet-connected devices. Mobile has become a medium for richer social interactions as it enables one to take part in an event, capture it, provide comments on it and share all this with others.

There has been a surge in the variety of solutions, which enable customers to shop online, any time and from any location through their mobile devices. Apple iPad is changing the way consumers shop, consume mobile content and engage with the mobile Web. One of the recent initiatives in this direction is by Gap Inc., which has launched a commerce-enabled iPad application that enables consumers to enjoy social shopping experience.

An innovative application called "Love it or Lose it," has also been launched by Golirious, which enables social shopping by allowing Apple iPhone users to instantly connect with their friends and community members, and request (and receive) their feedback on fashion merchandises. This application also allows users to create a collection of photographs of their favorite items to create a "Wish List." Other key features include adding friends and viewing their profiles including their wish lists, getting help in finding gifts for "hard to shop for" friends, and adding favorite stores and designers. This innovative and practical application was developed within 3 months by Sonata Software, which has been providing value-added solutions for various mobile technologies

Social Shopping: Technology Solutions for retail

As social shopping becomes the norm of the day and the Internet evolves into its next generation, known as Web 3.0, it becomes imperative for retailers to be ready with the next generation solutions.

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Retailers need to be ready to establish their social media presence via publishing a page on Facebook or facilitate social shopping experience on their websites to incorporate customer reviews or sharing it with people through social media outlets like Twitter, etc.

Retailers are exploring ways to implement a variety of solutions in order to supplement their social shopping initiatives:

- Social commerce platforms, which are nothing but the new e-commerce solutions that can enable retailers to engage with customers and integrate with their universe through Web, mobile devices and social media sites
- Mobile enablement of retailers' websites, which enable users to access, surf and purchase from their mobile devices like iPhone
- Flexible platforms offered by software vendors on a SaaS (Software-as-a-Service) model combined with 100% client or server API approach to deliver a multitude of powerful applications to retailers