

Impact of Social Media on e-Commerce: A Conceptual Study

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Abstract: The purpose of this research is to study how social media is affecting the workings of e-commerce, the advent of social media has changed the face of e-commerce and has made it more accessible. In the last decade social media has gained radical attention from people around the globe, with the increasing use of social media sites like Facebook, Twitter, Instagram, LinkedIn, YouTube almost everyone is using on or the other social media to communicate. To promote and advertise the products instead of using older sources like TV or radio or spreading the word in the community social media provides greater ease and convenience. Social media is now spreading its roots in every aspect of life, it has overtook our daily source of entertainment. Social media has so much hold on our life, with this increasing hold of social media on us has cajoled the major brands to understand the online customer behaviour and efficient ways to use social media for their advantage. Brands are aware about the customer interactions and transparency that comes with social media. This has changed the scenario of e-commerce completely. The brands are at an advantage to increase their customers with suitable marketing strategies, social media has helped maintaining transparency between brand and the customers, it has helped the brands to communicate with their customers and understand their needs better. Along with that social media has changed the way traditional e-commerce worked. This paper deals with closely studying the changes in e-commerce and workings of social media commerce

1 INTRODUCTION

The exchange or buying and selling of commodities on a large scale involving transportation from place to place is known as commerce. When all this is done electronically, it is known as e-commerce.

According to Philip Kotler-

E-commerce can be defined as a general term for buying and selling process that is supported by electronic means.

It is the activity of electronically buying or selling of products on online services or over the Internet. There are companies who have been using e-commerce only to advertise and distribute their products widely, they even have physical stores but to make their products widely available from urban areas to remote, they use e-commerce to widely distribute their products. Whereas there are other companies who do not have physical stores, their services are limited to online purchase only, either way e-commerce has opened doors for both big companies with online and offline purchase options and small startups with online services. This has proven to encourage the establishments and growth of new startups they have

paved a way for the new era of startups by giving them the facility of large scale reach and sell. Typical e-commerce transactions include the purchase of products or services. There are three areas of e-commerce: online retailing, electronic markets, and online auctions. E-commerce is supported by electronic business. The motive of e-commerce is to allow consumers to shop online and pay online through the Internet, saving the time and space of customers and enterprises, greatly improving transaction efficiency, especially for busy office workers, but also saving a lot of valuable time. With the advent of social media, the use of e-commerce has radically gained attraction. Billions of people around the world use social media to share information and make connections. On a personal level, social media allows users to communicate with friends and family, learn new things, develop your interests, and be entertained. On a professional level, users can use social media to broaden our knowledge in a particular field and build your professional network by connecting with other professionals in your industry. At the company level, social media allows us to have a conversation with the audience, gain customer

feedback, and elevate brand. Social media has opened new doors to market and promote e-commerce stores to a broad audience. As e-commerce has helped us connect to our closed ones it has also helped improve company-consumer relations. This research was undertaken to understand the changing customer behaviour and how social media is changing the face of e-commerce, many brands are seen having social media sites through which they advertise their products and communicate with their customers. This research will help study brand building in the changing times of social media. social media can be used for e-commerce to:

Attract new customers

Build brand awareness

Generate online sales

Another aspect that has boosted e-commerce and has promoted it to broader audience is use of portable devices like mobile phones which has made e-commerce accessible easily at any time any hour. Another aspect of e-commerce is m-commerce where we have the ease of doing online transactions of e-commerce on portable device like mobile phones, this m-commerce has opened a whole new world to the users of e-commerce. Shopping products is now one click away, they can shop anywhere and anytime. This m-commerce users show a exponential surge during the COVID-19, as it helped maintaining the safety norms. M-commerce is now gaining more attraction than non-mobile commerce.

1.1 Objective of the Study

The main objective of this research is to study the impact of social media on e-commerce.

To study how social media is changing workings of e-commerce.

To study if e-commerce has seen any surge in sales due to social media.

To study if the social media has helped with the outreach of e-commerce.

1.2 Research Methodology

This study is a theoretical approach towards studying the impact of social media on e-commerce closely. The data has been collected from various journals, papers, research papers and social media platforms. Research gate and google scholar have also been used for the study. The nature of the study is descriptive. Various research papers have been read and reviewed to collect the data.

Review of Literature-

E. Taiebi Javida, M. Nazaria and M. R. Ghaelia in their research paper **Social media and e-commerce: A scientometrics analysis(February 2019)** have made an attempt to study effect of social media on e-commerce based on scientometric indicators.

P. Sri Jothi, M. Neelamalar and R. Shakthi Prasad (March 2011) in their research paper **—Analysis of social networking strategy in developing brand communication**, have conducted research on various social media sites like twitter, Facebook, orkut to study how brands use these sites to advertise and promote their brands and how they use it to communicate with their customers better.

Dr. Manohar Singh , Gobindbir Singh in their research paper **Impact of social media on e-commerce** talk about how its important for resorting to social media marketing instead of traditional marketing for brand building.

Umair Akram, Anjum Safia, junwu chai and Adasa Nkrumah in their research paper **The Impact of Social Media Characteristics on E-Commerce Use Behavior Among Youth in Developing Countries** studied the customer behaviour pattern of youth of developing countries and how social media influences it.

Shahir Bhatt and Amola Bhatt (2012) in their research paper **Factors influencing Online Shopping: An Empirical Study in Ahmedabad** conducted research on the factors influencing online shopping of customers with respect to Ahemdabad.

2 TYPES OF SOCIAL MEDIA PLATFORM

2.1 Facebook

Quite popular among millennial Facebook is one of the largest social networking site, according to Facebook statistics it has around 2 billion active users daily as of 2023. Facebook has helped connect people from all over the world. It has feature of creating Facebook page for brands, it has proved to be really helpful in promoting and advertising products and also gaining the trust of the customers.

2.2 Twitter

Elon Musk's twitter is a popular medium for sharing opinions, as of 2023 with 396.5 million active users.one can express their views and opinions in

form of short text message, it also supports images and videos. It is a great platform for brand to address customer grievance, establish communication channel between brand and customers and maintain transparency. The customers can directly address the brand by just mentioning username of the brand in the tweet.

2.3 Youtube

The most famous video-sharing platform that has over 2 billion users. Users can watch videos, even share comment, like subscribe and even upload their own videos. There is a concept of paid partnerships where brands can collaborate with the trending youtubers to promote and advertise their brands which increases brand outreach.

2.4 Instagram

Instagram is a visual social media platform that is totally based on photos and videos posts only. It is also owned by Facebook with over 500 million daily active users, instagram is quite popular among youngsters. Brands can use this photo sharing platform to their advantage, with the feature of paid partnerships with influencers it can help promote brand and also establish a relation to their customers with the features of direct message, live broadcast and photo and video sharing. They can check their post reach and pay instagram to advertise their posts. By posting stories brands can involve their customers in making. The in-app shopping has also done multitudes to boost the e-commerce customers. Instagram has proved to be aid for new startups to run business without having physical stores.

2.5 LinkedIn

LinkedIn is a social networking site that is dedicated for business and employment-oriented services. employers can create a profile for their company and search or browse for employees online. They can check the resume of the employees and their past working experiences. LinkedIn allows members that may be workers as well as employers to create profiles in an online social network which may portray real-world professional relationships.

3 HOW IS INSTAGRAM CHANGING THE FACE OF E-COMMERCE

Recently, Instagram has gained quite a popularity among people, with introduction of new features and constant updates it has made way to everyone's devices. Instagram has recently introduced reels (short videos) which is main attraction for most people these days, if used properly the reel feature can help increase the brand outreach. Instagram is very business friendly with its options of creating a business profile and viewing insights and profile visits, with its feature of promotions it helps the brand to reach its targeted audience, allowing brands to collaborate with the influencers and thereby marketing the product.

In the eCommerce industry, Instagram is a game-changer. Virtually every notable eCommerce building platform enables you to incorporate an Instagram feed into your online store. There are over 1 million monthly advertisers and 8 million company profiles on the marketplace. Instagram is quickly becoming the social media universe's hub in 2021.1 Thanks to the 'Checkout on Instagram' feature, it has also become the focal point of all mobile eCommerce transactions. The Checkout on Instagram has proven successful with eCommerce companies, creating a one-of-a-kind start-to-finish shopping experience.

Instagram added the shoppable post option back in March 2018, allowing users to purchase products directly from the app. The Instagram user was redirected to the brand's website, where they were occasionally required to register or create a new account. After browsing a product from a brand's shopping post, the user sees a "Checkout on Instagram" option. They merely need to select the size or colour before closing the cart, and then they'll be taken straight to payment without ever leaving the Instagram app. The buyer's journey from product discovery to purchase has been substantially simplified, because of Instagram. As a result, the entire process of becoming inspired to receive the item will be considerably more straightforward and quicker. This could be a critical step in closing the eCommerce mobile divide. Additionally, Shoppable Instagram posts are a terrific method for businesses to exhibit products and increase sales visually, users may also move from inspiration to purchase without leaving the Instagram app.

Following data proves the fact that Instagram has made shopping online more convenient-

Last year Instagram announced that 140 million users tap on product tags in shopping postings each month Today more than 80% users follow brand or a company account

Approximately 70% Instagram users claim to have discovered a product through their feed.

Instagram has made impulse buying more favourable with these features. One of the important point is that brands have created a sense of community on Instagram, communicating with their customers, understanding their needs, showing their behind the scenes it creates a trustworthy environment. Another practices popular over Instagram is brands collaborating with the influencers to promote their products and services. This helps to promote the product to larger group of people. In the real world, we might tell our closest friends, family, and co-workers about a product we enjoyed.

This type of word-of-mouth marketing has previously been demonstrated to be effective, However, when we combine word-of-mouth recommendations with the influencer marketing realm of Instagram, we have a much more effective instrument to elicit an impulse purchase. And the power of an influencer’s comment or feedback can be a significant game-changer. Instagram has also added this feature where brands can promote their post to the targeted group of audience which attracts more customers, the post usually appears in the audience’s feed as sponsored. Brands can create a business profile and keep a track of insights and reach. On top of that Instagram algorithm is like a catalyst, Our Home feeds are personalised to our likes and dislikes, thanks to the already established and super-savvy Instagram algorithm, which surfaces stuff the algorithm thinks we'll like most to the top of our Home feed. We're entering a curated, personalised, shoppable location to apply that concept to the new Instagram Shop feed. Users can "Browse Shops," "Explore Guides," "See Editors Picks," and "Shop Collections" in the new shopping location, making finding inspiration and shopping straight in the Instagram app much more manageable. All these factors have made e-commerce more convenient.

4 FINDINGS AND SUGGESTIONS

4.1 Global Marketing Reach

In the past, a business’s reach was limited by the number of people able to physically enter through a store’s front doors. Social media has opened new doors for e-commerce a brand on a social media

networking site doesn’t need a physical store, customer’s reach is over the globe, products directly reach the customer. The rise in internet usage and the growth of social media have made it easier for e-commerce business owners to reach a diverse new mix of customers. A brand can promote themselves globally with just an account on any social networking site.

4.2 Ease of Ordering Products

Customers can order products from anywhere, just a few clicks away. And with emergence of in-app shopping there is a surge seen in the purchase on social media. And several small businesses have setup their profile on Instagram where customers can directly order through them by contacting them on Instagram no need to visit physical stores.

4.3 Lower Operating Cost

Anyone with a social media account is all set to run a business, instead of traditional commerce where a person needs physical store to set up a business, this has reduced unnecessary expenses and lower operating costs. No need of hiring employees and renting space or warehouse internet is the store where customers can visit anytime and purchase anytime

4.4 Direct-to-Consumer Access

Social media has allowed brands to directly communicate with their customers and vice versa without involvement of third-party this has helped to establish trust between brand and the customer thereby increasing the chances of frequent purchases. Also preventing third party mishaps.

4.5 Raised Brand Awareness

Social media has allowed the brands to customize their portrayal catering the needs of target audience, following trends and enlightening posts about the brand has helped build brand awareness. Making their social media profile aesthetically pleasing along with display of their brand products and services has helped brands to attract targeted audience.

4.6 The Emergence of in-Shop Shopping

Many social media platforms have introduced in-app shopping, providing users with the opportunity to make purchases from the comfort of the app.

Snapchat's partnership with Verishop has allowed them to produce "Verishop Mini", an in-app shopping service that lets users find and buy beauty and fashion products. They've also introduced an augmented reality tool, enabling shoppers to virtually try the products before buying, making it so much easier for customers to discover their next purchase. Facebook and Instagram are two other platforms that have introduced in-app shopping features.

4.7 Increased Brand Engagement & Improved Customer Loyalty

Being active on social media is also important for brands, being available on social media profile to address customer grievances is key to not losing customers, this develops trust between brand and customers and thereby encouraging frequent purchase from the brand and improved customer loyalty.

4.8 Easy for Consumer and Company

Social media has made it much easier for users to purchase online. With ads that send customers to a product directly, it's become so quick to go from searching to purchasing in just a few clicks or taps. Snapchat has also introduced an in-app feature, where users can 'snap' a photo of a barcode and get sent to the product's page on Amazon.

5 SUGGESTIONS

With the growth of impact of social media on our daily life and specially e-commerce brands are suggested to make themselves available on the social networking site to promote the brand and address the customers.

It is suggested for brands to make in-app shopping available.

To increase the reach of the brand, brands are suggested to follow and stay updated with the recent trends.

Brands are suggested to use social media to their advantage by maintaining transparency and establishing relationship with their customers.

Brands should try to understand online customer behaviour and try to cater their needs to increase customer loyalty.

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