



THE STUDY OF THE CONTRIBUTION OF SOCIAL MEDIA TO THE DEVELOPMENT OF E-COMMERCE

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Abstract:

On one hand, where the craze for online shopping is increasing in the country, on the other hand, consumers are also facing losses due to this. Looking at these problems of the people, the government has decided to bring a national e-commerce policy to take effective steps on this. Today, the business related to the e-commerce sector in the country is about 25 billion dollars. It is estimated that in the next 10 years, this trade will be around \$ 200 billion. Now the question arises what is the reason behind the such rapid growth in this sector? On one hand, the country's population is growing rapidly, while on the other hand, smartphones and data tariffs are getting cheaper. Not only this, but the increase in network connectivity is also one of the reasons for this. India has adapted well to social media during the pandemic. Social media plays an important role in influencing the tastes, opinions, and desires of people. There has been an evolution in the definition of influencers in our social circles, from mere one-to-one personal connections to more social media-based interactions that cater to style, fashion, footwear, and home utilities. Seeing the change in the way we interact and get influenced by it, has given rise to social commerce. In this research paper, the contribution of social media to the development of e-commerce has been studied.

Keywords: *Social Media, E-Commerce, Commerce, Smartphone, Data, On-Line Shopping, Social Commerce*

Research Methodology:

The research paper has depended on secondary data.

Objective of Research:

- 1) To study the contribution of social media to the development of e-commerce.
- 2) To study the role of social media to the development of e-commerce.

Introduction:

Electronic commerce itself is called e-commerce in short form. It is a way of doing business online. Under this, buying and selling of goods and services is done through electronic systems through the internet. The Internet is one of the most important aspects of e-commerce in today's time. It also presents many opportunities for the consumer and business along with the infrastructure. With its use, barriers like time and distance do not matter much to consumers. In this, business activities are conducted using computers, internet networks, worldwide waves, and e-mail. Here the question arises in e-commerce, how does the process of the relationship between consumer i.e. consumer, and businessman is operated smoothly?



The first of these is B2B i.e. Business to Business model. In this scenario, a business sells products to another business. This includes businesses or organizations that purchase things for their own use or that purchase raw materials and produces goods using them. The second model category is known as B2C or business-to-consumer. Under this, the consumer buys goods directly from a company. Like this, the third model type is called C2C, or consumer-to-consumer. In this scenario, the consumer deals with the consumer directly. Businesses play no part in this. C2B, or consumer-to-business, models are the fourth category. Through this, the business speaks with the customer directly. Similarly to this, two types of models are currently growing in popularity in online shopping and e-commerce, the first of which is the marketplace model. This is due to the increasing demand and supply of items in the market. In this model, online companies only provide a platform from where the consumer can buy goods as per his requirement. Like Amazon, Snapdeal, Flipkart, etc. There is no role of other online companies in this. Similarly, the second is the Inventory model. Under this, online companies sell goods through their company on this platform. In this, the name Alibaba comes first.

Through e-commerce, the goods are received directly by the consumer. This not only ends the role of middlemen, but the goods are also available cheaper. Due to this, competition also remains in the market and the customer is also able to compare the goods available in the market, due to which the customers get high-quality goods. On one hand, online shopping gives easy access to the national and international markets of customers, and on the other hand, it also saves time of customers. Through e-commerce, small and medium entrepreneurs easily get a platform where they can sell their goods. Also, through this, customers can easily get any specific product. Facilities have also increased in the field of transport through e-commerce, such as the facility of Ola and Uber. Apart from this, facilities like medical, retail, banking, education, entertainment, and home service have increased due to the availability of facilities online. That is why e-commerce is becoming very important from the point of view of the business. With the advent of e-commerce, there has also been a reduction in the exorbitant expenditure on advertisements. This also reduces the prices of goods. Similarly, on the one hand, where the expenses of showrooms and warehouses come down, on the other hand, the possibilities of new markets also increase. Also, it speeds up the supply of goods and services and takes care of customer satisfaction.

The three best social media platforms for e-commerce are Facebook, Instagram, and Pinterest. Other platforms to consider are Youtube, Snapchat, and Twitter. Social media plays an important role in e-commerce by helping to create awareness, generate email and SMS leads, and increase paid and organic traffic. Social media is a huge revenue driver for e-commerce businesses. Research by Yotpo found that e-commerce websites with a social presence drive 32% more sales than stores that do not. If you are not on social media, you are missing a huge opportunity to generate more sales.

The Contribution of Social Media to the Development of E-Commerce:

Electronic commerce or e-commerce is a business model that allows firms and individuals to buy and sell things over the Internet. Driven by increasing smartphone



penetration, the launch of 4G networks, and rising consumer wealth, the Indian e-commerce market is expected to grow to US\$200 billion by 2026 from US\$38.5 billion in 2017. The greatest yearly growth rate in the world, India's e-commerce revenue is predicted to increase from US\$39 billion in 2017 to US\$120 billion in 2020. The Indian e-commerce market is predicted to overtake the US by 2034 to become the second-largest e-commerce market in the world. Over half of the world's population regularly uses social media, and this number is growing. Social media may assist businesses and consumers in producing and disseminating material regarding things that are sold online in the form of reviews, ratings, and images. Any company with an online shop should be aware of how social media plays a part in e-commerce since this kind of material has the power to greatly impact potential buyers.

The market of social commerce in the country can reach a GMV of Rs 51,700 crore by 2025, currently, it is Rs 5,600 crore. According to a report, between 2020 and 2025, there will be a huge increase in the share of social commerce in the country's e-commerce market. According to the report of Redseer Consulting, in the next 5 years, the social commerce market will grow at a rate of more than 65% every year. Social commerce refers to such e-commerce transactions, in which there is a more direct connection between the buyer and the seller before the purchase than in traditional e-commerce. The social commerce market in the country can reach a GMV of \$ 7 billion (about Rs 51,703 crore) by 2025. According to a Tuesday report by Redseer Consulting, the number of online shoppers (especially from Tier-2 and smaller cities) is continuously increasing. In the next 5 years, the social commerce market will grow at a rate of more than 65 percent every year. Social commerce refers to such e-commerce transactions in which there is a more direct connection between the buyer and the seller before the purchase than in traditional e-commerce.

In traditional e-commerce, buyers select sellers by searching a digital catalog. Platforms such as Meesho have been included in this report by Redsheer, but peer-to-peer transactions through social media and online messengers have not been included. According to the report, between 2020 and 2025, there will be a huge increase in the share of social commerce in the country's e-commerce market. According to Redsheer, in 2020, the share of social commerce in the \$ 38 billion e-commerce market was just 1-2 percent. This means that this market is now worth 38-76 million dollars. The share of social commerce is expected to increase to 4-5 percent of the \$140 billion e-commerce market by 2025. That is, according to this, the market of social commerce will reach a GMV of \$ 5.6-7 billion. GMV in online retailing refers to the Gross Merchandised Value of a product sold on a marketplace in each period. By 2022, a large part of the country's more than 250 million online shoppers will be comfortable with social commerce and this model will play an important role in taking e-commerce to the masses. The country's social commerce market will grow at a rate of more than 65 percent every year. In September 2020, the growth rate of GMV in this market was 3 times. Metros contribute an estimated 20 percent to social commerce customers, Tier-1 cities account for 25 percent and Tier-2 and other smaller cities contribute the rest.



Due to the Covid-19 pandemic, online retailers such as Amazon saw an increase in online shopping as many consumers wanted to avoid face-to-face contact and many retailers temporarily closed their physical stores. These factors further magnify the ways social media can drive brand awareness and e-commerce success.

Online sales are strategically boosted by social media. For example, if brands or products go viral online, they may see increased sales, increased brand awareness, and more direct contact with consumers through promotions and targeted ads. Without that exposure, organizations may find themselves isolated from customers and unable to reach and promote their products. Additionally, social media has expanded beyond platforms such as Facebook or Twitter. New, popular platforms such as Snapchat, and many others with billions of subscriptions can let people know about an organization's offerings and expose them to target customers. An organization may raise consumer brand recognition, communicate with customers more, better serve their requirements, and comprehend the market if it integrates social media into its e-commerce strategy.

To help increase customer loyalty and remind consumers about the organization, frequent online advertising and product promotion from influencers can increase demand and encourage repeat purchases. Most customers may call the organization to complain or provide feedback, but social media can also provide direct consumer feedback. Customer experience teams can monitor social media sentiment, including complaints, around brands or products to gain insight into the customer journey. Organizations can use social CRM software to help organize customer feedback from various platforms. Facebook is the most popular social networking site in the world, with 1.62 billion daily users. E-commerce companies may successfully run sponsored advertising campaigns on Facebook thanks to its enormous scope. If companies want to boost the visibility of their online store, they should use Facebook as a platform. Facebook has become a crucial component of many e-commerce customer acquisition efforts because 78% of US buyers claim to have found items on the social media platform. With in-page advertising in News Feed and Facebook Messenger, you may attract new clients and retarget current website users by using a variety of market segmentation strategies, such as age, gender, and geographical information.

Instagram is always coming up with new ideas to make it simpler for its 500 million daily users to purchase on the app. According to a poll the social media behemoth did in 2021, 44% of users utilize its network every week to purchase. Because Instagram is such a visual site, it's a wise choice to use it if you sell things that you can highlight with images and videos. Instagram Shopping has become a significant marketing platform for many e-commerce firms because of its 130 million monthly taps and features like Instagram Checkout. Available in a wide range of global markets, Instagram Shopping lets you build a comprehensive storefront to help users locate products with a single tap. You can share products through your posts and stories and create clickable tags that take visitors directly to product detail pages.

Compared to Facebook today, Pinterest provides 33% more referral traffic to commerce websites. A neglected e-commerce marketing channel is Pinterest. Famous for its wide



selection of aspirational and highly graphic postings, Pinterest is a haven for product discovery and a very successful full-funnel marketing medium. A staggering 98% of the 444 million monthly users of Pinterest have attempted something they have seen there. With the aid of links, sources, and product suggestions, you can utilise Rich Pins to direct potential clients to everything from DIY ideas to skincare items.

Social media may assist businesses in gauging customer interest in their goods and products. Social media teams may learn about the potential reactions of the market by posting new items and soliciting comments. Micro-campaigns and real-time responses on many platforms can provide this information. Social media may also show businesses how their clients utilize their products and how they view images and videos of them. Without access to reviews or social media from e-commerce platforms, businesses may be at a disadvantage.

Because online consumers want to know everything about the things they purchase, businesses without access to social media or reviews from e-commerce platforms may be at a disadvantage. Customers may find out what other people think of the goods they wish to purchase in one of two methods. On platforms like Facebook, Twitter, YouTube, Pinterest, Instagram, and Google Reviews, customers may discover product reviews. Social media has millions of users; thus any product is sure to receive feedback there.

Businesses may connect their e-commerce websites to social networking platforms to enhance traffic, grow their fan base, and let customers publish reviews and leave comments in response to those reviews. Businesses may combine all client input into one dashboard with social media monitoring software, making it simple to observe and reply to. However, the amount of control that organizations have over the content that consumers publish online is restricted. It's conceivable that a negative review won't go away and the company will be unable to change it. When used in conjunction with e-commerce platforms, these solutions provide businesses greater control over what customers input and how to address issues in real-time. Most of these goods feature real-time chat sessions where customers may ask inquiries about these things. Visitors to the website may be able to publish product evaluations and ratings inside the site's catalogue by using social technologies like Kiyoh, Feefo, eKomi, Bazaarvoice, and TrustSpot.

Conclusion:

Social media marketing is a channel that businesses can use to build brand awareness, connect with customers, and increase sales. To get the highest ROI from your social media accounts, focus your marketing efforts on a few select platforms. Digital Marketing, is the use of various digital platforms to promote a product or service. Social media marketing is a part of the digital marketing umbrella that deals with marketing products and services on social media platforms such as Facebook and Twitter. Many brands are considering adding digital marketing to their promotion and advertising strategies, while most of them have already added it. There are many positive and negative effects of social media on businesses. Social media marketing is a crucial component of digital marketing because it gives businesses a platform to engage with their clients and establish enduring relationships. It eliminates the middlemen (retailers,



wholesalers) between the brand and the customer, making communication precise and clear.

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