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From Scrolling to Shopping: The Rise of Social Commerce in India

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Abstract

Social commerce has become a key part of online shopping because nowadays social media is affecting consumer purchasing behavior. By integrating social media features with online shopping, businesses can connect with customers more easily and promote their product in a better way. In this context, the present study examines the concept and evolution of social commerce in the digital business environment and analyses the important factors contributing to its growth. The study has also explored major opportunities and challenges related with adoption of social commerce. The findings indicates that the surge in smartphone use, wider internet access, rising number of social media users and the rise of digital payment systems have all played a significant role in accelerating the growth of social commerce in India. The study also identifies many opportunities, like market expansion, supporting small sellers, and using low cost digital marketing to grow. However, challenges related with customer trust, data privacy and digital literacy continues to affect the adoption of social commerce. The study concludes that social commerce has potential to play a significant role in shaping the future of digital retail in India, provided that the current challenges are solved by improving digital infrastructure, ensuring consumer safety and giving proper regulatory support.

Keywords: Social Commerce, Consumer Behavior, Digital Payments.

Introduction

The rapid evolution of digital technologies has dramatically reshaped the execution of commercial activities on a global scale. One of the most remarkable developments in the digital economy is emergence of social commerce, which combines social media platform with online shopping activities (**Antczak, 2024**). Consumers can directly interact with brands, discover about product and make purchasing decision directly through social media platform(**Dash et al., 2022**). In

recent years, the social media platform such as Facebook, Instagram etc. has transformed from communication tool to powerful commercial channels to promote products, engage with customer, and facilitate online transactions. According to recent industry reports India has emerged as one of the fastest growing market for social commerce due to the rapid expansion of digital infrastructure and internet connectivity(Kirby-Hawkins et al., 2018). Over the last ten years, India has seen a big jump in smartphone usage, social media activity and digital payment. Today the country has 751 million smartphone users and nearly 491 million social media users, making it one of the biggest digital market in the world. The expansion of social commerce has also been supported by increasing adoption of digital payment system such as Unified Payment Interface (UPI). On top of that influencer marketing and digital entrepreneurship has given social commerce an extra push, helping businesses connect with customers through interactive community driven platform.

Although social commerce is experiencing rapid expansion, it encounters several challenges, including issues related to consumer trust, data privacy, logistic management and regulatory framework. Social commerce bring vast opportunities, yet persistent challenges like authenticity, cyber security, and digital literacy continue to influence its adoption(Huo et al., 2018).

Therefor understanding the concept, evolution, growth factors, challenges of social commerce has become essential for evaluating its impact on the digital business environment. In this study, we set out to explore how social commerce has developed over time, examine the main drivers fueling its rise and highlights both the opportunities and challenges that still shape its adoption.

Review of Literature

Busalim & Asadi, (2025) explored the factors that influence customer engagement in social commerce on social media platform and reviewed the existing literatures for identifying engagement drivers. 254 articles were initially identified and after applying inclusion and exclusion criteria, 123 articles were selected for detailed analysis. The researcher used a deductive coding approach and NVivo software. Engagement factor has grouped in 3 parts Social, technological and Motivational. In the result 15 things has found that effect consumer engagement like social support, trust, interaction, information quality, value satisfaction etc.in the end this study will help businesses to understand and improve customer engagement strategies on social media platform.

Liao et al., (2021) examines how social media users behave in social commerce environments and uncover patterns that can be used to generate personalized social commerce recommendations through data mining techniques. Questionnaire survey was conducted in Taiwan for collecting data and analyzed by using data mining methods like cluster analysis and association rule analysis. The

result indicate different patterns of social behavior in social media usage and social commerce activity. Clustering clear user groups with different motivations while association rule showed how user traits, social media habits and buying behavior connect.

Hu et al., (2018) aims to understand how social commerce works by combining service dominant logic and customer dominant logic perspectives and to develop a unified framework by identifying key qualities, like how they work together, and how they affect customer relationships. The methodology includes a survey of 1250 social commerce users in United States who had used social commerce for at least 6 months. Data were collected by using 5 point likert scale questionnaire and it is analyzed by using partial least square structural equation modeling along with validity test. The findings reveals that technology quality, service quality, experience quality and co-created value significantly influence relationship quality in social commerce. Service quality and co-created value have a stronger impact on customer experience and relationship building than technology quality.

Zhou et al., (2013) seeks to understand the current state of social commerce research and identified major knowledge sources and research trends. The methodology adopted was a bibliometric approach in which literature published between 2003 and 2012 was collected from five digital database and 317 publications has analyzed. In this study author's keyword has taken and classified into 4 parts Business, technology, information and people. The study reveals that work on social commerce and social shopping has grown a lot after 2005-06. Most researches are about collaborative commerce (145), followed by social commerce (83), social shopping (78) and collaborative shopping (11). The result also showed that most research topics were focused on the people and information side, which means these two areas are very significant in social commerce research.

Objectives of the Study

- To examine the concept and evolution of social commerce in the digital business environment.
- To analyze the key factors driving the growth of social commerce in India.
- To identify the opportunities and challenges associated with the adoption of social commerce in India

Analysis and Discussion

• Concept of Social Commerce

The swift progression of digital technologies has profoundly reshaped the conduct of commercial activities worldwide(Lv et al., 2020). One of the most remarkable developments in the digital economy is the emergence of **social commerce**, which describes how social media platforms are combined with online

business operations to allow consumers to discover, evaluate, and purchase products directly from social networking sites. In contrast to traditional e-commerce models, social commerce enables customers to engage with brands, share experiences, and make purchasing decisions directly within social media platforms(Lin & Wang, 2022). The broader development of electronic commerce and digital communication technologies gave rise to the idea of social commerce. In the early stages commercial transactions was conducted at marketplaces where buyer and seller get interacted directly. During the latter part of twentieth century, the rapid expansion of internet technologies encouraged business to adopt electronic commerce, thereby facilitating online transactions through websites and digital marketplaces(Tseng et al., 2024). However, over the time the increasing prominence of social media platform has significantly reshaped the dynamics of online trade. Platforms like Facebook, Instagram, and YouTube has expanded the horizons of digital commerce by facilitating not only transactional exchanges but also by fostering interactive, community driven spaces that highlight user engagement and collecting participation in the buying process(Qu et al., 2012). These platforms enable users to investigate products, read reviews, watch demonstrations and complete transactions without leaving the social media environment. As a result, the line between socializing and commercial activities have gradually diminished. Social commerce stands out because shopping decisions are shaped by social interaction and content from other users. Instead of just comparing prices like in traditional e-commerce people get engaged with communities, follow influencers and trust peer recommendations.

- **Evolution of Social Commerce**

The evolution of social commerce is related with transformation of commercial activities in the digital era. With the progression of information technology, internet connectivity and social networking platforms the nature of commerce has undergone significant transformation. The development of social commerce can be understood through several stages that reflect the shift from traditional retail systems to interactive digital marketplaces.

- **Traditional Commerce**

During this stage the commercial activities was conducted primarily through traditional market places and physical retails stores. Buyers and seller interact directly for making transactions. Customers visited stores or local market to purchased goods and they get product information through direct interaction with seller or through specific marketing channels like print advertisements(Turunen & Pöyry, 2019). The businesses mostly operated within local or regional market, with whole seller and retails store served as primary channel of distribution. This form of commerce totally depends on physical presence and personal relationships between buyers and sellers.

- **Emergence of E-Commerce**

As the internet became widely used in the late twentieth century, it concreted the way for the rise of electronic commerce. Businesses are expanding their market reach beyond geographical boundaries by utilizing websites and digital platforms for selling product and service online. It helps customer in searching product, compare prices and place order through online market place without wasting time and energy. Major marketplaces such as Amazon, flipkart played an important role in transforming consumer purchasing behaviour by making shopping convenient and accessible easily(Deswita et al., 2024).

- **Social Media Integration with Commerce**

The next stage in the evolution of digital commerce was social networking platforms which has grown rapidly. Business started using social media as a key tool for marketing and connecting with customers(Ilieva et al., 2024). Companies has promoted their products through advertisements, brand pages and influencers collaborations on platforms like Instagram and Facebook. Influencers are also sharing product reviews, recommendations and experience through social media which is significantly influencing purchasing decisions. At this stage social media acted as a promotional tool, guiding consumers to e-commerce sites to finish their purchases.

- **Emergence of Social Commerce**

The latest phase of digital commerce is social commerce, where the entire shopping process starting from discovering products to making a purchase happens directly within social media platforms. It is a unified ecosystem which integrates social networking, digital marketing and online retailing at one place. Here the consumer can explore about the product through social media posts, read reviews and if they want to buy it then they can interact with influencer and complete purchase without leaving the platform(Asad, 2024). Industry reports indicates that global social commerce market crossed USD 1 trillion in 2024, and it is still rising due to increasing use of smartphone and rising social media engagement.

- **Key Factors Driving the Growth of Social Commerce**

India's Social commerce market is expected to reach USD 60-70 billion in 2030 and the expansion of Social commerce in India is shaped by many factors such as technological, economical and social. The boom in internet access, smartphones, social media and digital payments has set the stage for social commerce to thrive. These factors have not only increased consumer participation in online shopping but also enabled businesses to reach a wider audience through social networking platform. The key factors driving the growth of social commerce are presented in Table.

Table 1: Key Factors Driving the Growth of Social Commerce

| S. No. | Factors | Key statistics | Significance for Social Commerce |
|--------|--|---|---|
| 1 | Smartphone Adoption | India had around 751 million smartphone users in the starting of 2024, making it one of the largest smartphone market globally. | Smartphone gives people quick and easy access to social media platform and online shopping apps which enables consumers to participate in social commerce activity. |
| 2 | Internet Penetration | India recorded about 1,002.85 million internet subscribers in 2025. Representing over 70% of the population. | Rising in internet connectivity expands the digital consumer base and also supports the growth of online commercial activities. |
| 3 | Expansion of Social Media Users | India has recorded approximately 491 million social media users in starting of 2025. | Social Media platform has emerged as a Key channel for product discovery, strategic marketing and interactive consumer engagement. |
| 4 | Growth of Digital Payment Systems | In 2024, the Unified Payment Interface(UPI) handled about 172 billion transactions, a sharp rise of 46% compare to 117.64 billion in 2023. | Digital payment systems which are both secure and easy to use, motivate consumers to make purchases on social media platforms. |
| 5 | Rise of influencer marketing | India's influencing marketing sector is projected to grow significantly reaching to (US\$ 404.82 million) by 2026, as per a report Ernst and Young (EY). | Social influencers are promoting their product through content which is significantly influencing consumer purchasing decisions. |

Source: Compiled by Author

- **Opportunities of Social Commerce**
 - **Accelerated expansion of the Social Commerce Sector**

Social commerce represents a rapidly expanding segment of the digital economy. In India, social commerce sector is anticipated to reach USD 29.27 billion in 2025 with expectation of substantial increase to USD 143.86 billion by 2030. It reflect a strong growth rate driven by digital adoption and social media engagement. So it indicates a substantial opportunity for companies to leverage social platform for product promotion and sales.

- **Extended market Coverage**

Platforms like Instagram, Facebook, and YouTube help business in connecting with a large number of customers. By using these apps companies can promote and sell their product and services to consumers across different regions, without the need for physical store.

- **Opportunities for Small businesses and Entrepreneurs**

Through social commerce a new opportunity has been created for small businesses and entrepreneurs. They can start online ventures and directly promote and sell their product to customer without needing a large e-commerce infrastructure.

- **Personalization enabled by consumer data**

Data analytics and artificial intelligence has been used by social platforms for analyzing consumer behaviour, browsing pattern, and purchasing preferences. Based on user data, platform provides personalized product recommendations to users through customized content. Personalization boosts customer engagement by showing relevant products, which lower cart abandonment and encourage mobile users to complete purchase.

- **Cost effective Marketing and Promotion**

In comparison to traditional advertising methods, social commerce provides companies with cost effective market opportunities. It allow businesses to promote product through targeted, advertisements, influencer collaboration and organic content at relatively low cost. Through this they can reach to large audience without heavy investment and as a result it is an affordable and efficient promotional channel for businesses.

- **Challenges of Social Commerce**

- **Trust and Product authenticity issues**

One of the primary challenge related with social commerce is the deficiency of consumer trust concerning the quality and authenticity of products. Nowadays many transactions are taking place on social media channels, it can be hard for consumers to know is seller are trustworthy. Misleading product details, fake reviews and counterfeit items can discourage consumers from purchasing through these platforms.

- **Data Privacy and Security Concerns**

Consumer shares their personal and financial information while making purchase from social media. This creates concern about data privacy and cyber fraud. If consumers have fear of misuse of personal information or unauthorized access to their financial data, they may hesitate to engage in social commerce transaction.

- **Lack of clear Regulatory Framework**

It is still a developing sector and regulatory policies related to commercial transactions are still evolving. The lack of definitive legal standard concerning consumer protection, dispute resolution, and seller responsibility can pose difficulties for both consumer and businesses.

- **Logistics and Delivery challenges**

The important challenge in social commerce is efficient logistics and timely delivery. A significant portion of social commerce are driven by small sellers who typically operates without well-developed supply chain and distribution systems. This can result in delays in delivery and difficulties in managing return and refunds.

- **Digital Literacy Gap**

Even though internet access is growing in India, many people still don't have enough digital skills to use social commerce platform effectively. Limited knowledge about online transactions digital payments, and cyber security can restrict the adoption of social commerce among certain consumer groups.

Conclusion

The present study has examined the concept, evolution and growth factors of social commerce. It also identified the opportunities and challenges associated with it in the digital business environment. The finding showed that social commerce has become a significant part of the contemporary digital economy by combining social media platforms with online shopping activities. Unlike traditional E-commerce, social commerce enable consumers to engage with brands, access review and complete purchase directly on social media platform.

The study highlights that social commerce in India is growing fast because more people use smartphones, internet, social media and UPI payments. These factors have created a favorable environment for businesses to promote and sell their product. It also give chances for market growth, support to small businesses, personal marketing and low cost promotions. However several challenges also has been identified in study such as consumer trust, product authenticity, regulatory framework uncertainty and logistics management. These challenges need to be addressed in order to ensure sustainable growth of the sector. Overall social commerce has a strong potential to change the future of digital retail in India.

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