

The Impact of The Social Commerce on The E-Commerce

Prof. Pratibha B. K.

Assistance Professor in Commerce, K.L.E. Society's J.G. College of Commerce, Hubballi-21

Abstract—In the recent years the landscape of e-commerce has undergone a massive change the usage of the social media and online shopping have made a huge impact. The fusion of social media and online shopping have given birth to what is now known as social commerce, a dynamic phenomenon reshaping the way consumers discover, engage with, and purchase products or services. Unlike traditional e-commerce platforms, which primarily rely on standalone websites or mobile applications, social commerce integrates seamlessly with popular social media networks, leveraging their vast user bases and interactive features to facilitates transactions directly within the social environment.

Due to more usage of the social media the rise to social commerce have been taken place. Any consumers can buy any product or services at any point of time with the more options. Due to this there is a huge impact on the traditional marketing. In the recent trends of the consumers are more comfortable in purchasing the goods and services through social media platforms which is saving their time and energy.

I. INTRODUCTION

The traditional division between social networking and electronic commerce has effectively collapsed. As of 2026, social commerce has transitioned from an experimental marketing channel into a dominant global economic force, with the market projected to reach \$206 trillion globally. Unlike traditional e-commerce, which relies on a search – based, intent-driven model, social commerce leverages “discovery-led” consumption. In this new paradigm, purchase intent no longer necessarily precedes the social media session; instead, it is algorithmically cultivated through immersive content, short-form video, and real time community interaction.

By leveraging tools like shoppable posts, live- stream shopping, AI-driven personalization, brands can engage shoppers in micro-moments of high intent, significantly reducing friction and increasing

conversion rates.in 2026, it has become a cornerstone of the digital economy, shifting the focus from transactional search-based shopping to a community-driven model where authentic creator endorsement and visual storytelling drive billion-dollar revenues.

The current maturity of social commerce is driven by a technological pillar called Artificial Intelligence (AI). AI algorithms have moved beyond simple collaborative filtering to “predictive commerce”, anticipating consumer needs with high precision. And there are many social media platforms which are the main reason for the increase in the social commerce rather than the traditional e-commerce. The usage of the apps on the regular bases have laid to the raise in the social commerce. The usage of the AI has increased the value of the social commerce as it is providing each and every information to the consumers at their ease. In short, the social commerce has changed the whole scenario of the shopping and have made the major changes in the traditional e-commerce.

II. OBJECTIVES

1. To compare Social Commerce vs. Traditional e-commerce.
2. To explore the growth of “Niche Communities”.
3. To analyze the importance of the traditional e-commerce.
4. To examine the “impulse buy” phenomenon:

III. SIGNIFICANCE

1. The study highlights how AI-driven shopping can save time by predicting needs while simultaneously raising awareness about data privacy and “impulse-buy” triggers.

2. It quantifies the contribution of the “creator economy” to the broader national GDP, helping governments understand the need for better digital infrastructure and legal frameworks for social sellers.

IV. THE ROLE OF SOCIAL COMMERCE IN INDIA

Social commerce is the model where brands sell their products directly to consumers using social media platforms and several other social platforms. Brands exert their influence on their potential customers to buy their products using short form videos, images, chats etc. increasing their sales and profits.

Social commerce is an affordable way for small businesses to create an online presence and for larger businesses, it presents a cost-effective opportunity to acquire new customers without offering deep discounts. Because of its close relationship with social media, social commerce provides high engagement and retention of customers.

With more than 900 million active Internet users, Indian users have well adapted themselves to social media. There has been a substantial increase in social media users in India, especially after the sudden surge in smartphone usage between 2015 and 2020, where the number of users grew more than five times. Today, social media plays an important role in decision making and influences India’s tastes and preferences daily. Because of this evolution, where users get influenced by social media has given rise to social commerce.

Social commerce is when brands combine the best of social media with e-commerce. Social commerce aims to market products on the platforms where customers spend time and taps into the traditional advertising method, that is word-of-mouth advertising. Word of mouth has been the backbone of social commerce, where social media helps brands to interact with their customers and smartly place their products using platforms like Facebook, Instagram, YouTube etc.

In India, it is estimated that by 2025, the e-commerce market will reach \$220 billion, and social commerce will reach \$50 billion, contributing to almost 25% of total online sales. Today there are more than 200 million online shoppers in India, which is expected to

reach 50 million by 2030, according to a report. Because of such high social media engagement levels, social commerce will only increase and is expected to play a significant role in India’s e-commerce space.

The e-commerce industry in India is witnessing a surge in investments from global players. For instance, Facebook invested \$5.7 billion in Reliance Jio in 2020 to reach the next billion people. Furthermore, Google also invested \$4.5 billion in Ambani’s Reliance Jio platforms. Apart from this, there is a constant increase in investments in small and mid-sized businesses in India related to the e-commerce industry. For instance, Mall91 raised \$705 million from Beenext and Kalaari capital. Bulbul, a live social commerce application, raised \$5 million from Sequoia.

According to a report by Invest India, value of India e-commerce was \$55 billion in 2021 and is expected to reach \$350 billion by 2030. The e-commerce sector in India is on an upward trajectory, and more and more people prefer shopping online to stepping outside, especially after the pandemic. This change in customer behavior has driven the growth of social commerce in India. More than 28% of millennials say they buy products through social media endorsements and keep track of the latest trends on multiple platforms. Because of this wide influence of social media, brands are taking significant measures to build their brand image and recall on social media platforms.

In recent years India has shown a tremendous change in doing business. The government has planned many strategies to make India more self-reliant, giving rise to a start-up culture. Initiatives like UPI payments, Aatmanirbhar Bharat, Make in India and many more have encouraged domestic producers to innovate and make the country competitive in all business spheres.

In Conclusion, Social Commerce in India has enabled users to purchase through interactive content without leaving their favorite apps. At the same time, it allows brands to influence their potential customers and boost sales. This makes it a win-win situation for both brands and customers. Many factors are driving the growth of social commerce in India, like an increase in the number of smartphone users, the widening influence of social media, increasing investments, changes in customer behavior, new government initiatives, and many others. This growth in social

commerce will also drive growth for industries like logistics, warehousing etc.

V. IMPACT OF SOCIAL COMMERCE ON E-COMMERCE

Social media was once used for photos and videos of entertainment, connections and communication. Today, social media is used for an array of different purposes like shopping, marketing, building communities, and many more. Direct to Consumer brand's success has been unstoppable because of this digital revolution. With its capabilities of providing direct access to target consumers without time and distance restrictions, social media helps us to reach a wide audience in a short amount of time. 30% of e-commerce firms are already selling on social networks, and another 12% plan to do so in 2021. Additionally, as the pandemic increases the impact of digitalization, both brand and consumers have experienced a change in their respective purchasing and selling behavior.

The use has changed consumer shopping habits, triggering an increase in social commerce platform usage.

Social commerce is a trend that originated in Asia and has spread globally. Especially in India, the growth would be imminent, since a large part of the population uses social media, from Facebook, Instagram, Pinterest etc.

VI. THE RAPID RISE OF SOCIAL MEDIA AND HOW IT SPECIFICALLY CHANGES THE MECHANICS OF E-COMMERCE.

1. THE CONSUMER BEHAVIOR GAP

> Problem Statement: While traditional e-commerce has mastered the efficiency of the "search-and-buy" model, it often fails to capture the emotional and community-driven aspects of shopping. Social commerce has emerged to bridge this gap, yet there is a lack of understanding regarding the underlying mechanisms—such as influencer credibility and peer validation—that convert a social browser into a customer. Without this clarity, businesses struggle to design social commerce strategies that yield consistent conversion rates.

2. THE BUSINESS INTEGRATION CHALLENGE

> Problem Statement: Despite the massive growth of social commerce, many businesses face a fragmented digital landscape. Traditional e-commerce models rely on centralized control of data and customer service, whereas social commerce decentralizes these elements across various third-party platforms (like TikTok or Instagram). The problem lies in the loss of data ownership and the difficulty of maintaining a seamless "omnichannel" experience, which can lead to high customer churn and operational inefficiency.

VII. KEY IMPACTS ON E-COMMERCE

1. SHORTER CUSTOMER JOURNEY

Eliminates extra steps by allowing discovery, evaluation and purchase within one platform reducing friction and increasing conversions.

2. ENHANCED PERSONALIZATION

Uses social data for targeted recommendations, exclusive offers and personalized content, making customers feel understood.

3. INTERACTIVE AND EXPERIENTIAL SHOPPING

Moves beyond static product pages to engaging content like tutorials, behind the scenes looks, and live streams making shopping more fun and emotional.

4. NEW SALES CHANNELS

Direct selling features on platforms create new revenue streams and can even drive traffic to traditional e-commerce sites.

5. MOBILE-FIRST CONVENIENCE

Caters to mobile users by integrating shopping into their primary social apps, making it the default choice for many.

VIII. BENEFITS OF SOCIAL COMMERCE

1. INCREASED VISIBILITY

Direct presence on social platforms amplifies the visibility of products, reaching a broader audience.

2. TRUST BUILDING

Recommendations and reviews from friends contribute to consumer confidence, facilitating purchase decision making.

3. INSTANT INTERACTIONS

The ability to make purchases without leaving the platforms speeds up the purchasing process, taking advantage of the user's immediate attention.

4. BUILD DEEP BRAND TRUST

Transparent creator partnerships and authentic UGC supply social proof at the moment of purchase, improving confidence and repeat rates.

5. GAIN A COMPETITIVE EDGE ACROSS INDUSTRIES

From beauty and retail to F&B, fitness and even B2B, early adopters use social commerce to learn faster, scale what works and outpace slower funnel models.

IX. CONCLUSION:

In a comprehensive article about Social Commerce, the conclusion should summarize how the boundary between "scrolling" and "shopping" has permanently disappeared.

Below are three specialized options for your conclusion, along with a final summary of the "Future Outlook."

OPTION 1: THE "DIGITAL TRANSFORMATION" CONCLUSION

> Conclusion: The integration of social media and e-commerce has moved far beyond a simple marketing trend; it is now a fundamental shift in the digital retail architecture. By merging discovery and transaction into a single, seamless flow, social commerce has eliminated the traditional "friction" of online shopping. This research confirms that for modern enterprises, the primary challenge is no longer just optimizing a website for search engines, but mastering the art of community-driven commerce. As we move toward a more decentralized internet, brands that successfully leverage social proof and real-time interaction will define the next decade of retail success.

OPTION 2: THE "CONSUMER PSYCHOLOGY" CONCLUSION

> Conclusion: Ultimately, the impact of social commerce lies in its ability to humanize the digital transaction. Traditional e-commerce prioritized efficiency and logic, while social commerce prioritizes connection and validation. The shift from "searching" for products to "stumbling upon" them via trusted influencers reflects a deeper consumer desire for authenticity over brand-led advertising. While trust remains a critical hurdle—particularly regarding data privacy—the emotional engagement fostered through social platforms has proven to be a more powerful driver of conversion than price alone. The future of e-commerce is not just about selling a product, but about narrating a story within the consumer's social fabric.

OPTION 3: THE "SMALL BUSINESS & SME" CONCLUSION

> Conclusion: Social commerce has acted as a great equalizer in the global marketplace, lowering the barriers to entry for small and medium-sized enterprises (SMEs). By providing direct access to global audiences without the need for massive advertising budgets, platforms like TikTok, Instagram, and Facebook have democratized retail. However, this shift also demands a new set of skills: agility, content creation, and real-time customer service. To remain competitive, businesses must move away from static storefronts and embrace a hybrid model—using social commerce for customer acquisition and traditional e-commerce for long-term retention and data ownership.