

EXPLORING THE FACTORS AFFECTING THE GROWTH OF SOCIAL COMMERCE FOR MARKETING AND BRANDING OF BUSINESSES TO IMPROVE REVENUES

DR. SANGEETA SHARMA^{*}, SUMAN KUNDU^{**}

ABSTRACT

We have all shopped on Amazon or Flipkart or Myntra and other e-commerce websites so much that they have now become our habits, we open those applications just to see if there is any deal on the product we want to buy. On the other hand, social media is a habit rather than a task for the millennials and they generally spend most of their time on social media through smartphones. The advent of Web 2.0 technologies has made it possible to now integrate these two platforms and create a new phenomenon called social commerce wherein a consumer can purchase or transact on social media platforms, like Facebook marketplace. This paper aims to understand the potential of social commerce in an Indian context and how businesses can generate revenues through it. The paper utilizes in-depth interviews to understand the consumer's attitudes and beliefs towards social commerce and what marketers should do to tap into this channel to gain revenue. The findings of the research include three main factors of brand knowledge, user experience and analytics which affect the use of social commerce in India. This research can be used by marketers or brand managers to explore the potential of social commerce in India and thus, create value through this channel.

KEYWORDS: Social Commerce, Branding, Social Media, E-Commerce.

INTRODUCTION

In the last decade as technology has evolved, people's shopping habits and places of shopping have changed. With the advent of e-commerce, the shopping experience changed all together, and it has become the primary source of shopping for millennials. Technology although didn't stop there. The emergence of Social media technologies, ICTs and Web 2.0 have created a market with a huge potential in today's world to transform the growing e-commerce segment

from just a goods and services - facing ecosystem to a "socio – customer" ecosystem. Thus, now it becomes imperative that we understand the meaning of the terms Social Media, Web 2.0 and Social Commerce. Social Media never had a proper definition, but most scholars agree that it is a congregation of online communications channels that is designed for social community-based input, collaboration and interaction (TechTarget, 2016).

^{*} Associate Professor, Dr. Bhim Rao Ambedkar College, University of Delhi.

^{**} MBA (Strategic Marketing) Student at MICA, Ahmadabad, Gujarat, India.

Correspondence E-mail Id: sangeetacollege@gmail.com

In contrast to that, Web 2.0 is characterised by increased user interactivity and collaboration, better network connectivity and enhanced communication channels. (TechTarget, 2015). Henceforth, we have two technological marvels which are working together to create the next wave of evolution in e-commerce to change the way people shop.

Finally, when we come to the definition of social commerce, we get multiple definitions from various sources. According to Investopedia, it is an electronic commerce which uses social media to promote online transactions (Investopedia, 2017). Some have referred to social commerce as the marriage between e-commerce and social media. (Heidicohen, 2011). Other experts have often called it to be a form of e-commerce which uses social media to help in the buying and selling of products.

When we look at factors which have led to the growth of social commerce in the first place, we can very easily spot that the number of social media users has played a huge hand in this change. According to a Statista report, the number of social media users in India has risen from 142.2 million in 2015 to 180.06 million in 2017 and is expected to rise even further. (Statista, 2017). This shows us that people in India are spending a significant amount of time online and marketers can make use of this time to promote products and maybe reduce the buying funnel length and reduce churn rate. As of now, Facebook, Instagram, Pinterest are among the few companies that have started using social media and Web 2.0 capabilities and increased Call to Action to create more transactions on their site which lead to more conversions on the webpage rather than re-directing a consumer elsewhere. The other factors contributing to this growth are the availability of smart phones, cheaper data packages and a desire to be socially active. Millennials are generally a generation of convenience seekers and ask for look for the easy way out in whatever they do. Thus, the need to

get everything in one place is pushing this phenomenon ahead. Now, if we start looking through a microscopic lens at the social norms and constructs hidden in Web 2.0, we can realise that it is another major factor which is driving Social Commerce and, it exists as an intersection of Social Media and e-commerce which gives it an added advantage. Although at the crux, the phenomenon of Co-creation is to be accredited for the evolution of Social Commerce from just a theory to a breakthrough technology. Just to get a better understanding of how social media has been impacting the e-commerce industry and how Social commerce is evolving, a survey was conducted by Shoplifty.com in the US which found out that of 37 million social media visits which they had, they had in turn received 529,000 orders from them. (Shopify, n.d.). The data from Shopify.com clearly show us that there is a strong correlation in the amount of people who visited the social media sites and how they purchased. There has been a shift in how consumers shop online or use social media over the world and thus we can now start shifting our focus from the macroscopic worldly view and examine a country to get better clarity. The above factors have resulted in creating an industry which is looking at constant changes due to technological upgradations and changing behaviour of people while shopping online. According to the Indian Brand Equity Foundation, the e-commerce industry in India will grow from US\$ 38.5 billion as of 2017 to US\$ 200 billion by 2026 which makes India a huge prospect for social commerce going forward. Henceforth, in India we are looking at two big changes happening: First, the amount of digitally active people using social media has gone up exponentially and Second, the e-commerce industry is growing at a rapid pace. Thus, this makes India a perfect country to start a Social Commerce operation in currently and we have already seen with Facebook's Marketplace (which they refer to as F-commerce) and Instagram gaining ground in the country. The bottlenecks of such an operation although lie

with the implementation of technology, the creation of a smooth customer experience which integrates the features of both shopping and browsing a social media site, understanding the correct KPIs and marketing the idea of social commerce. For many startups and other MSMEs in the retail and food business, conceiving such a business plan is quite outlandish and logistically improbable. Thus, the power of utilizing this technology lies in the hands of Social Media companies who can create a platform for these start-ups and MSMEs to conduct their business on. The risks associated with transactions on Social Media for the consumers lie with the fact that social media companies will now have even more data about them and this is not something that the millennials are comfortable with. Thus, social commerce needs aggressive marketing to promote the message of trust and safety and then only can we look at volume transactions going up, leading to higher amount of Gross Merchandise Value(GMV), Increased Time spent on site and better revenues from this channel.

LITERATURE REVIEW

Given that this is a research paper on a relatively new concept in the domain of e-commerce, we need to look at previous researches done in the area to understand better where the industry is, what academicians think about it and how the consumers perceive it. We will try to identify themes and understand what constructs can be created from them.

THE BASIC CONSTRUCTS OF SOCIAL COMMERCE

The experience of shopping online as compared to shopping offline is quite different in the modern world and those through social media, incorporates a lot of social interaction variables and social norms. Research claims that through the development of forums like Reddit, Quora, communities and hubs, review and recommendation channels, all these have created

online communities which enable a lot of social interactions which is redefining the way marketing is being done. A study done by Zhao Huang and Morad Benyoucef which was published in the Electronic Commerce Research and Applications, tried to look at the evolution of s-commerce on the back of the advent of Web 2.0 applications and the design features that were created in its nascent stage to understand how s-commerce can grow into a behemoth.(Benyoucef, 2013).

The study proposed a new model and set of principles that could be used for guiding s-commerce designs for platforms like Amazon and Starbucks. The paper argued there was a lack of understanding of social commerce design principles and thus it was mandatory that some basic principles were put into place to give organizations a guiding principle to work in the field of social commerce. The paper also stated that social commerce will be the next big evolution in the e-commerce industry if its potential can be harnessed properly(Benyoucef, 2013). A paper published in the International Journal of Marketing states that there exists no proper literature to define the term social commerce or its scope and everyone has their own interpretations. Thus, it causes a lot of problems in understanding what it exactly means. But, at the end, they propose a framework which finally summarises and gives a meaning to the term social commerce as: a model based on the principles of Web 2.0 and social media for conduction commercial activities.(Yadav, 2013). Another paper published studied multiple reports to find out what elements can be part of a social commerce construct and formed buckets of elements to give a framework to the research work. (Zhou, 2013)

RELATIONSHIP BETWEEN SOCIAL MEDIA USAGE AND SOCIAL COMMERCE

In every country the usage of Social Media is different and the age groups using them is quite

different. In India, the maximum users of Facebook users belong to the age group of 18- 24 years, with males being the prominent ones. The same age group also had the highest number of female users among all age groups and previous literatures have shown that a country which has a high frequency of social media usage and produces a lot of content, have a great potential to use social commerce as a channel .(Liang, 2011) India being a country which has produced immense amount of social media content and has one of the highest subscriber base for social media sites, is very a good potential for social commerce going forward.

EFFECT OF SOCIAL NORM ON SOCIAL COMMERCE

Generally, the driving factors of s-commerce and found two factors primarily affected whether a user would purchase in the future from a social commerce site. The two factors studied included Social support and Website quality and analysis showed that these appositively affected the user's intention to purchase. These factors could help marketers focus their resources and use them to make sure that they could get the best out of customers and increase their Customer Lifetime Value (CLV) and keep them in the purchase funnel.(Liang, 2011). The study also found out that social norm was now an added factor as it differentiated social commerce from e-commerce. It argued that social norm was now a popular construct to understand the effect of social commerce based on the theory of planned reason.(Liang, 2011)

TRUST

Consumers have always complained that trust is the major issue in transactions and they believe that systems should be such that they can carry on transactions without worrying about cyber-theft or loss of data.(Pavlou, 2003). They believe that trust becomes one of the key factors when it comes to e-commerce and especially social

commerce where all the data will now be going through one platform.(Mutz, 2005). A lot of researchers have worked on this topic to understand how the e-commerce adoption model and trust have worked over the years to gain people's faith in the system and how social commerce can now leverage that same platform and take it forward.(Mutz, 2005). Given this backdrop, we understand that it is natural for a consumer to reduce their social uncertainty when the stakes are high.(Gefen D. &, 2004). They would love to purchase from companies that help them reduce this uncertainty.(Gefen D. &, 2004). Thus, research argues that if an e-commerce website names its products properly or details it out in a manner that reduces uncertainty, consumers would love to purchase from that company and stay longer with them. (Yang, Chandrees, Lin, & Chao, 2009).

Social interactions are now becoming an important tool to reduce this uncertainty and thus companies should now start working on making social interactions more important if they want to thrive in the world of social commerce. This reduction will in-turn "transaction costs". (Mutz, 2005). The reduction in this transaction costs will render systems more reliable and help making social commerce platforms more popular among consumers and businesses alike.(Mutz, 2005)

SOCIAL COMMERCE AND CONSUMERS INTENTION TO BUY

The intention to buy is a very important metric when it comes to e-commerce and is generally considered to be a construct of technology acceptance model which has been very useful for marketers to test, understand and predict a consumer's intention to use a system.(Pavlou, 2003). The other theory which has been useful in understanding the intention of a user to use a system is the theory of planned behaviour. These two theories together form the crux of the e-commerce adoption theory and is used by all

professionals and academicians to define the nature of e-commerce and how it interacts with people. (Pavlou, 2003). A study published by Nick Hajli tried to understand the evolution of "Web 2.0" and other Information and Communication Technologies (ICTs) that assisted social commerce and the paper proposed a new model to understand social commerce using a PLS-SEM methodology to test the model. (Hajli, 2015). The improvements in ICTs has accelerated the process of "Web 2.0" and adoption of related technologies. During such a time, understanding social constructs, social norms were becoming of paramount importance in relation to online communities. Trust had become a major factor for gaining social traction and thus asking the consumer to purchase anything on social media platforms had to be dependent on pre-built relations or on brand image. (Hajli, 2015).

GENERATING VALUE FROM SOCIAL COMMERCE

When it comes to value generation from social commerce, a research paper talks about three questions that need to be addressed to generate value from the branding activities on social commerce platforms like does inter-connectivity of sellers on the platform create value? What kind of mechanisms should be put into place to create value and how should this value be distributed through the platform to create equity? (Stephen, 2010). The paper found out that generally allowing sellers to inter-connect creates value and helps in revenue generation on social commerce. The paper also conclusively states that accessibility in the marketplace model of social commerce is key to revenue generation rather than being a central point in the social commerce network (Stephen, 2010).

THEORETICAL FRAMEWORKS

This research paper has used the Theory of Reasoned Action (TRA) developed by Martin Fishbein and Icek Ajzen to understand the

relationship between attitudes and behaviours that a human being exhibits while performing some action. This has given the study certain cues as to why pre-existing attitudes towards shopping online primarily - the trust associated with it and the convenience provided by it affect the behaviour of people who shop on various e-commerce sites.

This theory also exhibits that there are various situations where attitudes might not directly affect the behaviour that a human being is depicting and thus shows external cues and motivations often influence the behaviour that a human being might depict and, in this case, shopping online. For Example, an individual who is not price sensitive and does not shop online, might get influenced by the deep discounts provided online and shop online to satisfy the need to not miss out on the major discounts being provided.

RESEARCH METHODOLOGY

The analysis of the literature review showed us that a lot of research has been done on the constructs of social commerce and developing frameworks for that (Hajli, 2015) and what are the mechanism and tools that are being used to generate value in social commerce (Stephen, 2010) but there is a lot of potential to understand the impact of social commerce in India, which factors affect consumer's intention to buy, what are the category of products that are being generally purchased through social commerce, and whether the mechanisms stated in previous literature hold up for Indian consumers when it comes to deriving value from social commerce.

Thus, the objective of this study is to understand what the main factors are affecting the growth of social commerce in India and how it can act as a new channel for marketers and brand managers to grow their businesses and revenues. India has been chosen as the country of choice as it is the fastest growing e-commerce market in the world

and has one of the highest social media users in the world, thus providing a good pool of respondents to carry out this research.

The research has been exploratory in nature as it sought to explore the avenues that marketers might currently not be looking at or the constructs which they might be missing (Hajli, 2015) and thus create a simple model which will help them tap into this market and increase revenues for their businesses.

The research design has been primarily an exploratory one which has unearthed the hidden cues in the minds of the consumers. The primary step has been to explore using qualitative research techniques to explore cues, codes, traits, behaviours of consumers when they are shopping on social media websites.

Qualitative methods such as In-Depth Interviews and Casual Conversations have been used for the study. In-depth interviews have been used as they help the study understand what hidden cues and factors lie when the respondents interact with social commerce. Casual conversations have been also used as the study required casual thoughts of the respondents whenever they hear about any topic and this helped the study gather the top of the mind thoughts of the respondents.

The researcher needs to delve deep into these observations as they tell the emotional and subconscious thoughts of the respondents about the social commerce platforms. It will help to prioritize the factors which this paper should concentrate. Furthermore, this will also help the us to get into the thought process of the consumer's decisions regarding purchase intentions on social commerce platforms and how they are affected by constant bombardment of advertisements. Observations gathered from

this step will form the basis from where the next analysis will start which include hypothesis formulation for the quantitative study.

The respondents were chosen based on snowballing and the reason for the choice of this method was that respondents were selected on the basis of who shops on e-commerce and is also quite active on social media to get a better understanding of the scenario.

The location of data collection has been primarily from metropolitan cities namely Ahmedabad, Mumbai, Delhi and Kolkata as these places will have the highest concentration of Social Media users. For the research to be effective, the samples have been exposed to qualitative exploratory technique like In-depth Interviews. In every case, rater error, halo effect and other measures of error have been reduced to a minimum to ensure a proper study and that has been achieved by using a lot of neutral probes while questioning.

The study has required in-depth interviews of 13 people across multiple cities and also has included casual conversations with 12 people. The sample size of 13 has been enough for initial theorizing. It has been found that upon conducting further interviews, the samples were adding to theoretical saturation and were thus not required. The samples are mostly in age group of 18-34 as they are the main users of social commerce and will be the most useful for this research study. A discussion guide has also been prepared to ask the questions related to social commerce. The questions have allowed the study to gain insights about the consumer's behaviour towards social commerce and what factors affect social commerce the most.

The respondents' profile is shown in the Table below.

Respondent	Age	Gender	Location	Occupation
1	24	Female	Kolkata	Working in an MNC
2	25	Female	Ahmedabad	MBA Student
3	26	Female	Ahmedabad	MBA Student
4	27	Male	Delhi	Working in an MNC
5	30	Male	Mumbai	Working in PSU
6	22	Female	Ahmedabad	MBA Student
7	28	Male	Ahmedabad	MBA Student
8	26	Male	Kolkata	Working in an MNC
9	22	Female	Ahmedabad	MBA Student
10	23	Female	Ahmedabad	MBA Student
12	23	Female	Ahmedabad	MBA Student
13	27	Male	Mumbai	Working in an MNC

The samples of the 12 participants with whom casual conversations have been conducted all reside in Ahmedabad, are MBA Students and belong to the age groups of 18 – 34.

DATA ANALYSIS

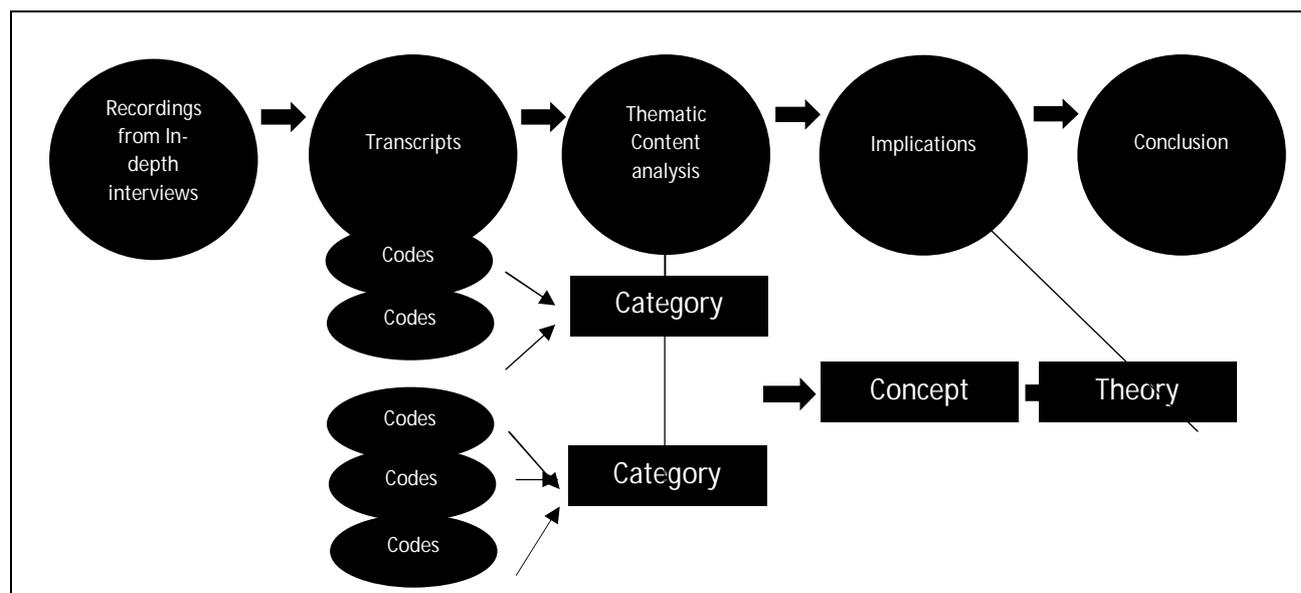


Figure 1. Flow of Analysis

The Data Analysis will provide a clear roadmap as to how to execute the Research and what to do with insights derived from them. Further ahead, these insights will help us execute a conclusive research study to cement our findings from this research.

The sample responses have been analyzed through a thorough thematic analysis and have

been coded to come down to certain decisive factors that can help Social Commerce grow in India. The themes that emerge in the first cycle of coding have further been subjected to a second round of coding to make them more concrete and then find out concepts from them. This is followed by exploring a phenomenon for the study regarding which factors are important for the growth of social commerce.

Concept	Description	Colour
Immediate Action Factors	These are the factors that need immediate action from the brands to give certain significance to social commerce	
Hygiene Factors	These are the factors that are added to act as extended selves of the Immediate Action factors which can be later looked into.	

The above table shows the colour coding that has been done to define the two kind of concepts emerging from the first cycle of coding. The analysis shows us that multiple factors exist that need immediate attention from the brands to

give social commerce some relevance. The coding process followed for the first cycle of coding is most In-Vivo Coding to simply understand the responses of the participants.

Table: First Cycle of Coding

Serial	Category	Themes	Codes
1	Credibility	Brand Image	"Most brands selling on Social Media sites barely have any trust factor, they just sell low priced items and I rarely buy from such brands"
			"Brands like Bewakoof.com and Beardo have been selling by using social commerce but I buy from them as the cost of the product through social commerce is low, it doesn't hurt my pocket"
			"Brands on Instagram are not well known ..."
			"I have only seen small brands posting advertisements"
			"The products sold are mostly from unknown brands or their marketing is not proper"
		Payment	"The payment process is not trustworthy at all"
			"Whenever I swipe up on Instagram Stories, they take me to some website which has bad products and also their payment systems don't look safe"
			"I don't purchase unless it is some well-known brand and even if I do, the payment is mostly COD"
			"I had once purchased from Instagram and the payment got stuck and I did not receive my money back"
			"For me, buying from Instagram or Facebook is always COD"
		Return Policies	"I am worried that if the product is not to my liking, will they take it back"
			"The return policies of these new companies are not like Myntra or Jabong"
			"Social Commerce mostly has low cost products being sold and I really don't care about returns there."
			"The return policies of unknown brands is a big issue"
			"You can't match the return policies of Flipkart or Amazon"
2	Design	Vivid UI	"I think the content shown on Instagram is good ... I like

			the bright colours used for Daniel Wellington watches”
			“UI is a big issue given today so much information is processed on a small handheld device like a mobile phone”
			“The UI of social commerce is really smooth, and I like the Swipe Up feature of Instagram”
			“With minimal use of buttons, Instagram has changed the way of looking at buying T-Shirts for me”
			“The UI of Facebook Marketplace was boring, but I really loved the way they put it up on Instagram”
		Better CTA (Call to Action)	“You can’t only have one button on advertisements on Instagram, there should be more options”
			“Facebook gives some options when it comes to purchasing but Instagram only redirects you to other sites ... there should be something more”
			“The Shop Now feature is various boring on Instagram, I liked the Swipe Up technique though, helps me to check something ... though there should be more options”
			“There should be more options if Social Commerce is to grow in India”
			“I really don’t like Facebook Marketplace, feels like e-Bay but Instagram has kept it quite smooth”
	“The UI is quite smooth on Instagram, but I think they can integrate payment and Reviews feature ... much more can be done”		
3	Data Management	Data Leaks	“With Facebook data leaks, I am quite worried that integrating so much data on one platform is going to be risky”
			“I think we have already given them all the data that they need, it is up to them to use the data ethically”
			“They already have enough data, I don’t think they can cause much harm”
			“I’m really worried now that you’ve mentioned it”
			“Facebook used to be a medium which I used to trust but now I don’t trust any social platform”
			“Social Commerce has a long way to go in terms of protecting consumers data”
		Data Protocols	“The encryption on WhatsApp is good But I don’t trust other mediums”
			“Instagram and other social platforms already have their own algorithms for protecting people’s data and we have been using them for so long, I don’t see any reason to be worried now”
			“I don’t trust encryption process of WhatsApp that you

			have mentioned ... we need stronger protocols"
			"Simply speaking we need stronger laws for protecting data"
			"Of course, I'm worried, they can see every transaction I have ever made"
4	Utility	Relevance loss	"Social Commerce will cause relevance loss for both platforms"
			"The integration will cause problems in terms of utility that I'm sure of ..."
			"E Commerce has its own utility while social media has its own relevance, merging both will create problems and that I'm sure of ..."
			"I don't want to shop while I am using my social media, this makes no sense"
			"Social Commerce will create certain problems in terms of utility"
			"... yes, there will be certain problems regarding this"
		Cross – platform content	"Social Commerce shows E Commerce contents in a better a way and I like that"
			"... yes, i have like those Daniel Wellington advertisements on Instagram"
			"... Shein advertisements on Instagram are much better ..."
			"I like those video advertisements on Instagram, they are quite interesting."
			"The high-quality pictures on Instagram are much better than those on Myntra or Flipkart"
			"... the immersive content there on Instagram is much better"
5	Retargeting	Smart Retargeting	"The advertisements on social media sites are very annoying, something should be done"
			"... they should try to have smarter targeting, often I am shown advertisements"
			"the advertisements should not be shown while I am watching some video, it is very irritating"
			"Social commerce needs to do something about the retargeting of advertisements"
			"Smart retargeting is required, it is the need of the hour ..."
		Annoying advertisements	"The advertisements which come up on Instagram stories are quite annoying ..."
			"I hate the interruptions caused by those 6 second non-skippable advertisements"
			"... Instagram stories should remove these

			advertisements"
			"Social Commerce should find a balance between the nuisance caused by advertisements and targeting people effectively"
			"... those advertisements on Instagram are the worst"
6	Product issues	Low tickets items only	"I have only seen t-shirts costing less than INR 300 on Instagram ..."
			"I don't get it why only low-cost products are sold on Instagram"
			"I have only seen trinkets and low costs shoes on Instagram ..."
			"The products shown on social media are always cheap, feels like a flea market ..."
			"... the cost of products is so low, I often associate it with low quality products"
		Low Product diversity	"... also, the product categories are so low, there are very few options to choose from."
			"... companies really need to look at their social commerce catalogue, it has very little options"
			"I hate the collections there"
			"I don't get it why do they have a separate channel for shopping with such less variety to choose from"

DISCUSSIONS

It was observed that most of the respondents stated that brands which promoted social commerce often lacked credibility as they may not be well known or might be new businesses who were starting off and were using social commerce as a channel to boost their sales. The most common complain that respondents had regarding social commerce was the trust factor and brand image, payment and return policies seemed to be the main subpoints coming out the discussions.

"I don't like the brands that are promoting on social media. They often sell low cost items and I don't like their approach, it seems fake" – Female (24)

The fact that low cost items were being sold was a source of major concern for many respondents and using the theory of Reasoned Action (TRA),

we can now see that there is a huge association with the price of the products that are being sold with the purchase intentions of the respondents.

"I have seen some known brands, but their products are always so low priced on Instagram, I always check out the products there, but I never buy from social commerce sites. Rather, I head over to Myntra or Jabong and purchase from there." – Female (22)

Another major sub theme affecting credibility is the payment system that such social commerce sites have. People in India mostly pay through Cash on Delivery (COD) and social commerce sites on the other hand have mostly credit/debit and UPI systems and many don't even trust the 3rd payment gateways used by such social commerce sites.

"I don't like the payment systems on social commerce, anyway the brands are mostly not

credible and then the shady payment processes. I would rather pay through COD if they had any such option" – Male (26)

Business need to work on this aspect as this becomes a major deterrent for consumers when they try shopping online on social media. The aspect of payments is critical as any backlash in this aspect can destroy the reputation of a business very fast.

"I don't trust the return policies of companies marketing on social media sites. If I don't like the product, who is going to help me return the product if they don't have a good return logistic" – Female (22)

The final sub theme unearthed regarding credibility, return logistics of companies using social media sites needs to perfect otherwise they might lose out to other e-commerce sites who have developed versions of return logistics.

The study found that consumers complained significantly regarding the lack of options while shopping using social commerce as they were primarily only provided with "Buy Now" or "Shop Now" button.

"I don't see any other option apart from the Buy Now button. Also, the payment is not done on the social media site, rather I am redirected to an e-commerce site. I really don't understand the significance of social commerce then." - Female (24)

Businesses need to improve the user-experience and provide more Call to Action (CTA) buttons like: View Product, Check Reviews, Related Products etc to give the consumers a better feeling while using social commerce. In this case, they need to also maintain that the social commerce site should not look too similar to an e-commerce site otherwise both will lose their relevance.

The user experience on social commerce also needs to make use of the advantages provided by the platforms like Instagram and Facebook. Instagram allows video advertisements and immersive 4K pictures for showcasing products. Also, with such advanced analytics available, it is quite possible to track user behaviour and optimize them. The most heated topic today is the amount of data that businesses collect about individuals can be used for a lot of purposes and respondents also shared the same view.

"With the recent data leaks that have happened at Facebook, I am pretty much concerned about the amount of data that social media sites have about me. Now, we are talking about integrating e-commerce sites with social media sites, so now businesses will have much more data about me and that is not a comfortable position for me. Going forward, companies should know that they need to be ethical about user data and not misuse it" – Male (27)

The study has seen that respondents are not quite comfortable with the idea that now businesses will have much more data about them and want some law or encryption done just like in WhatsApp to protect their data from being leaked and also to protect their transaction history on social commerce sites.

"I don't think this a major problem now. We have already given them enough data already. All that we can now ask for is that they use the data in the right manner." – Female (28)

The study finds that it is now the responsibility for businesses to comply to standard data protection schemes and use the consumers' data in an ethical manner.

Respondents have repeatedly said that they don't understand why businesses are trying to sell products on social media sites when there are dedicated sites for such work in the form of e-commerce websites.

"If you try to merge an e-commerce and a social media site together, you are creating the perfect recipe for chaos. Someone who wants to shop will always go to an e-commerce website and someone who wants to socialize will be on a social media site, social commerce is just causing problems for the both the platforms. Social commerce is also creating unnecessary bombardment of advertisements on people by retargeting them continuously." – Male (30)

The study finds that social commerce will lose its relevance if the current trend of keeping social commerce as an amplifying agent to an e-commerce site is kept and no new identity is given to it. This is a critical component of discussion as this proves that social commerce needs to find its own place in a cluttered world which is already irritating people with the constant bombardment of advertisements through retargeting.

The study has found that consumers are fed up with the unnecessary retargeting that they are exposed to everyday and most of them don't even relate to many of the advertisements that are being shown. This results in a loss of money, targets and conversion for the businesses.

"I really don't like the advertisements which keep popping up between videos and especially the non-skippable advertisements cause the major irritation. Social commerce needs to find out a way to remove this constant source of irritation. Companies can try to use smart retargeting where they show advertisements related to products with which the person can relate to." - Female (26)

The study finds that social commerce has a lot of potential to do but first it must remove the sources of problems which exists with current retargeting of advertisements.

"I am quite annoyed by those advertisements that crop up when you watch Instagram stories. It is really annoying when you are catching up on

other people's lives and moments and suddenly an advertisement crops up on the story." – Male (23)

Businesses need to find a solution to such problems if social commerce is progress and used as a channel. Invasion of privacy and constantly bombarding consumers with advertisements is not going to help create social commerce as a profitable outlet.

A major complain that consumers have regarding social commerce is that social commerce channels have very little diversity when it comes to product catalogue and mostly the kind of products sold are mostly low cost and people develop a low price-quality equation with such products.

"I really don't like the product catalogue showcased on social commerce sites. It is so low on variety and also the prices of the products are equivalent to e-commerce site and thus for me it makes no sense to shop on social commerce sites." – Female (26)

The study has found that product related issues are quite high in social commerce and consumers want more variety and something unique which makes social commerce stand out in its own rather than just being an extended self of e-commerce sites. Companies using social commerce need to pump in more resources and see this as an independent channel to maximise revenue from here otherwise competition will beat them as Web 2.0 will eventually integrate both social media and e-commerce on site.

"The quality of products being sold online through social commerce look too good to be true at that price point and most of the time, they brands are new and thus it is quite hard to trust such brands" – Female (22)

The recurring problem of identity keeps coming up every time consumers talk about social commerce and thus, businesses need to tackle all

these points together to make social commerce stand out.

The concepts that emerged from the first cycle of coding have been divided into 2 broad concepts with multiple themes under them.

Concepts	Underlying Themes	Description
Immediate Action Factors	Credibility Product Issue Utility Design	These Factors need immediate intervention to make Social Commerce more concrete and they serve as the basis for the theory that is to be formed.
Hygiene Factors	Data Management Retargeting	These factors exist as extended selves of the Immediate action factors and need lesser intervention now.

The study has shown that in the first round of coding, the Immediate Action Factors and Hygiene Factors can further be coded to find better themes and similarities so as to reduce the

complexity of analysis and thus we move to do a second round of coding. The second round of coding involves Focused Coding which can be done to any kind of qualitative study.

Raw Data	First Code	Initial Category	Focused Category
"Brands on Instagram are not well known ..."	Brand Image	Credibility	Brand Knowledge
"For me, buying from Instagram or Facebook is always COD"	Payments		
"I have only seen t-shirts costing less than INR 300 on Instagram ..."	Low Ticket Items	Product Issues	Brand Knowledge
"... also, the product categories are so low, there are very few options to choose from."	Low Product Diversity		
"Social Commerce shows E Commerce contents in a better a way and I like that"	Cross Platform Content	Utility	User Experience
"... yes, i have like those Daniel Wellington advertisements on Instagram"			
"I think the content shown on Instagram is good ... I like the bright colours used for Daniel Wellington watches"	Vivid UI	Design	User Experience
"UI is a big issue given today so much information is processed on a small handheld device like a mobile phone"			
"The advertisements on social media sites are very annoying, something should be done"	Smart Retargeting	Retargeting	Analytics
"The advertisements which come up on Instagram stories are quite annoying ..."	Annoying Advertisements	Retargeting	
"With Facebook data leaks, I am quite worried that integrating so much data on one platform is going to be risky"	Data Leaks	Data Management	
"I think we have already given them all the data that they need, it is up to them to use the data ethically"			

The second round of coding provides three dominant categories from which to theorize factors that are affecting the potential of social commerce in India and how can marketers work on them to increase revenues from social commerce.

FINDINGS

The three main broad factors have been identified through this study. The factors are related to Brand Knowledge, User Experience and Analytics are interwoven when it comes to the consumption space of Social Media and E-commerce and thus it is a no brainer that social commerce is also based on these three variables and will affect the revenue returns regarding this channel for marketers. Thus, we can state that: The growth of Social Commerce in India is based on the improvement of the three factors of Brand Knowledge, User Experience and Analytics of a Brand.

CONCLUSION

The study has been able to unearth the three main factors that are affecting the consumer's decision making when it comes to social commerce: Brand Knowledge, User Experience and Analytics. The consumers have pointed out to these factors which need to be worked upon to make better utilization of resources. The age group of the respondents was 18-34 accounts for the main users of social media in India and going forward, this cohort of consumers will be the main driver of revenue through e-commerce and thus, this study has shown how to try to this group of consumers to try out social commerce instead of the already congested e-commerce.

A new brand or business that wants to try online channels can now also look at marketing through Instagram or Facebook as these are gaining popularity amongst the aforementioned group of people. Social media influencers combined with rich content that the country has been producing

over the last couple of years has made social media a hot place for marketing and thus, setting up a social commerce channel makes the maximum sense for a new brand. Although such brands need to keep in mind certain factors. This study has shown that customers don't trust a new brand unless it is back by some famous personality or certification and neither do they like the kind of product catalogue offered through social commerce. Henceforth, brands need to have some backing if they are only going to use social commerce as a channel and not as an external arm for e-commerce.

The study has also shown that consumers are concerned by the amount of data that brands and businesses have now about consumers and how unnecessary targeting has caused them to think about their privacy. It is important that businesses understand the need to use consumer's data ethically and also they should reduce the unnecessary retargeting done, rather they should device a smarter way of targeting people using historical data and machine learning to predict what the consumer might like to buy or be interested in. This will save a lot of money for the company and also reduce the hassle of facing unnecessary advertisements.

The study has also found out that social commerce needs to find its own place in the world of e-commerce. Given that social commerce can cause an identity loss of both e-commerce and social media, it must find its own USP and be more relevant. Consumers have often complained that when they are on social media sites they just want to socialize and would rather not shop then and if they wanted to shop online, they would visit an e-commerce site. Thus, it becomes imperative that better features are added to social commerce to increase its viability and allow it to bloom in a country like India which is a major consumer of social media and e-commerce.

Finally, the results obtained from this paper show that social commerce has its own place if certain amendments are made and consumers are willing to experiment. Millennials are primarily deal seekers but if they get quality at a slightly higher margin, they will not hesitate to buy. Social commerce should be seen as a channel by marketers to promote more quality products and not only low-cost products. Brand managers and marketers should understand that the return on investment on social commerce is huge if done correctly as it currently serves the purpose of engagement and to make it a proper conversion platform, certain tweaks in strategies have to be undertaken by the companies.

The three points mentioned below are the contribution to literature in the social commerce world. The following points which mostly exist in the offline world were found to exist in the social commerce world too.

- Brand knowledge precedes intention to purchase.
- Trust is an important ingredient to build.
- Fear of breach of privacy inhibits customers from purchasing.

With the majority of the social media users in India belonging to age group of 18-24, this study will help businesses and organisations understand where they can improve and which factors can be targeted to make sure that can get the best utility out of social commerce as a channel of marketing. Given the study has been conducted on an age group who are the primary users of both social media and e-commerce, this will be marketers and brand managers make conscious decision on how they can improve on their revenue channels.

The study also shows that there are certain critical factors that need immediate addressing and there are some hygiene factors which need to be kept in mind while constructing a business around social commerce. If social commerce is

offered the right push by both consumers and the companies and the problems related to data protection can be sorted out, this paper will act as a basis for laying out which are the initial factors which are required to set up a business and use social commerce as a channel for marketing.

This paper will also help brand managers in optimizing their resources and getting the best return on investment as they will know where they should put their money on and what strategies should be used to target people through social commerce.

The study has been done over a period of 2 months and it can be further improved through a longitudinal study using techniques such as netnography and increasing the age bracket of people interviewed. The study is also limited as it was primarily conducted in Metro cities and hence it might need another study to understand the total picture of how it would have panned out had Tier 1 and Tier 2 cities and rural areas been included in it

The theory that has been conceptualized in this study can further be confirmed through quantitative methods like surveys which can be in phases across various cities to get a clearer picture of the social commerce scenario in India.

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