

FROM TRANSACTIONS TO ENGAGEMENT: EXPLORING THE FUTURE OF SOCIAL COMMERCE

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Abstract:

This research paper examines the concept of E-Commerce 2.0 and Social Commerce and their growing importance in the digital marketplace. The study focuses on how social commerce has emerged as an extension of traditional e-commerce by integrating social media platforms, user-generated content, and interactive technologies. It highlights the role of social interactions, influencer marketing, and community engagement in shaping consumer behaviour and purchase decisions. The paper also analyses the working mechanism, components, benefits, and consumer behaviour patterns in social commerce.

Key Words: *E-Commerce 2.0, Social Commerce, Consumer Behaviour, Social Media, Influencer Marketing*

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Introduction:

The rapid advancement of digital technology and internet usage has transformed the way businesses operate and consumers shop. E-commerce has evolved from basic online transactions to more interactive and user-centred platforms, known as E-Commerce 2.0, leading to the emergence of social commerce. Social commerce integrates social media platforms with online shopping, allowing consumers to discover, evaluate, and purchase products directly through platforms like Instagram, Facebook, and TikTok.

Unlike traditional e-commerce, social commerce emphasizes social interaction, user-generated content, and community engagement, making the shopping experience more personalized and interactive. With the growing influence of social media, consumer behaviour has become more socially and emotionally driven, where reviews, likes, comments, and influencer recommendations play a key role in building trust and influencing purchase decisions.

Literature Review:

✓ **Ting Peng Liang & Efraim Turba (2011):** in their article, ‘Introduction to the Special Issue Social Commerce: A Research Framework for Social Commerce’ mentioned that ‘What is Social Commerce: Although there is no standard definition of the term, social commerce (social business), generally refers to the delivery of e-commerce activities and transactions via the social media environment, mostly in social networks and by using Web 2.0 software. Thus, SC can be considered a subset of e-commerce that involves using social media to assist in e-commerce transactions and activities. It also supports social interactions and

user content contributions. In essence, it is a combination of commercial and social activities.

- ✓ **Kajal Nagpal & Shobha (2019):** in their article, ‘SOCIAL COMMERCE: CONCEPT AND TREND ANALYSIS USING FACEBOOK AND TWITTER’ mentioned that ‘Growth/Trend of Social Commerce: Social Commerce is growing year by year. Today most of the retailers publicise its brand through the social networking sites as the users spend most of the time on the social websites. The Social Commerce gained so much importance now days as it is the source for retailers to increase sales and increase customers which leads to handsome profits. In 2016 Facebook had 1.13 billion daily active users and by the end of 2017 the users increased to 2 billion active users. Instagram users also rose from 500 million active users to 800 million active users. Twitter has more than 313 million active users and Pinterest has more than 110 million active users. Thus, it can be concluding that Social Commerce is trending and increases day by day, month by month, and year by year.’
- ✓ **10XCREW team (2025):** in their article, ‘Social Commerce Trends: How Consumer Behaviour is Shifting’ mentioned that ‘Turning Viral Products into Overnight Bestsellers: Social media can make an unpopular product a hit overnight. In fact, 88% of Gen Z says viral trends drive their purchases, and even typically organised subscription shoppers are following suit. How does virality boost sales? It starts with curiosity. People spot a trending product and head to a website or app to learn more. They'll compare options and read reviews. If the feedback is good, it builds the trust needed to hit 'buy'.’

What Is Social Commerce?

Objectives of the Study:

- To study the concept and evolution of E-Commerce 2.0 and Social Commerce.
- To examine the working mechanism and key components of social commerce platforms.
- To analyse consumer behaviour in social commerce environments.
- To evaluate the benefits and impact of social commerce on businesses and consumers.

Research Methodology:

The present study is based on secondary data collected from reliable sources such as research papers, journals, books, and online databases. Data was gathered from websites, published articles, and platforms like Google Scholar and ResearchGate. The information was carefully reviewed and analysed. This helped in understanding the concepts, features, benefits, and impact of social commerce.

Limitation of the Study:

The study is based entirely on secondary data, which limits its scope and depth. The absence of primary data such as surveys or interviews restricts first-hand insights and real-time understanding of consumer behaviour. Additionally, reliance on existing sources may not fully reflect current trends and limits detailed analysis and validation of findings.

E-Commerce:

Ecommerce is an integral part of the modern global economy. Over the past couple of decades, it has transformed both the way we shop and the way we do business. Ecommerce is the online exchange of goods and services

over the internet. It involves online transactions between businesses (B2B), businesses and consumers (B2C) as well as between consumers and consumers (C2C). Ecommerce encompasses a wide range of activities, including electronic business, online shopping, online marketplaces, electronic payments, online banking and online auctions.

Social Commerce:

Social Commerce is the practice of buying and selling products or services within a social media platform. It is a form of online buying and selling that takes place directly through social media platforms. It combines e-commerce with social networking features such as likes, shares, comments, reviews, live streams, and influencer recommendations. Instead of visiting a separate online store, customers can discover products, interact with sellers or other users, and complete purchases within the same social platform. Social commerce builds trust through user-generated content and community engagement. It enhances shopping experiences by making them more interactive, personalized, and socially driven, influencing purchase decisions through peer opinions and real-time communication.

Inter-relationship between E-Commerce and Social Commerce:

E-commerce and social commerce are closely related, with social commerce considered an extension of e-commerce. While e-commerce focuses on online transactions through websites, social commerce integrates social media, user-generated content, and interactions into the shopping process. It enhances traditional e-commerce by enabling product discovery, sharing opinions, and influencing purchase decisions, creating a more interactive and community-driven shopping experience.

How does Social Commerce works:

Social commerce transforms social media platforms like Facebook, Instagram, TikTok, Pinterest, and WhatsApp into online shopping destinations where brands can sell directly to consumers. Unlike traditional e-commerce, it allows users to browse, shop, and complete purchases within the same app without being redirected.

It works by enabling interaction between customers and brands through sponsored posts, ads, and “shop now” features. Businesses can offer exclusive deals, discount codes, and targeted content, making it easier to reach interested consumers, shorten the buying process, and build trust and long-term relationships.

Key Components of Social Commerce:

The foundation of effective social commerce rests on several interconnected elements that work together to create seamless shopping experiences:

- **Native Shopping Features:** Social platforms integrate product catalogs, shopping tags, and buyable pins directly into users’ content feeds, enabling natural product discovery.
- **Payment Integration:** Secure, streamlined checkout systems eliminate redirects and maintain platform continuity throughout the purchase process.
- **Social Proof Elements:** Reviews, ratings, and user-generated content provide authentic validation, building trust and confidence in purchase decisions.

The benefits of social commerce:

➤ **Influencer Marketing and Brand Partnerships**

Companies collaborate with influencers and brand partners to promote products. Influencers help increase product visibility and influence consumer purchase decisions.

➤ **Personalized Shopping Experience**

Businesses can use social media data and analytics to personalize product recommendations and create shoppable content based on customer interests and behaviour.

➤ **Customer Loyalty and Retention**

Continuous interaction with customers through social media helps businesses build strong relationships, which improves customer loyalty and long-term retention.

➤ **Frictionless Shopping Experience**

Customers can easily purchase products directly from social media apps without leaving the platform, making the shopping process simple and convenient.

➤ **Higher Engagement and Conversion Rates**

Social proof such as likes, comments, and shares increases customer trust and encourage more people to purchase products.

➤ **Influencer and User-Generated Content (UGC) Driven Sales**

Customers trust reviews and recommendations from other users and influencers, which increases product credibility and sales.

➤ **Personalized and Interactive Experience**

Advanced technologies such as AI recommendations, live product demonstrations, and chat-based selling make social commerce more interactive and engaging.

Leading Social Commerce Platforms:

- **TikTok Shop:** Known for viral discovery and rapid growth, TikTok enables brands and creators to sell products directly via short videos, live shopping events, and affiliate links.
- **Instagram Shopping:** A top platform for visual brands, offering shoppable posts, Stories, Reels, and Instagram Checkout. It boasts over 3 billion active users, making it ideal for influencer marketing and trend-based discovery.
- **Facebook Shops:** A major player with over 3 billion active users that enables businesses to build custom storefronts, facilitating in-platform purchases or seamless redirection to brand websites.
- **YouTube Shopping:** Integrates with Google Shopping, allowing creators to tag products directly in videos for a seamless viewing and shopping experience.
- **Pinterest Shopping:** Focuses on inspiration-driven sales using "Buyable Pins" to cater to visual search and discovery, making it ideal for lifestyle and home décor.
- **Snapchat:** Uses AR tools for virtual product try-ons, engaging younger, highly active users.

Consumer Behaviour in Social Commerce:

- **Peer influences**

Reviews, comments, likes, and shares create psychological validation that encourages customers to make purchases. Influencers and celebrity partnerships further enhance credibility and strengthen this effect.

- **Emotional connections**

Brands build emotional connections through storytelling and user-generated content, influencing consumer decisions. These emotional factors often outweigh rational thinking, leading customers to choose brands that match their values.

- **Convenience and accessibility**

New features on social media platforms make it easier to discover, research, and purchase products without leaving the app. This encourages impulse buying and increases social media shopping.

- **Algorithm and personalisation**

Advanced algorithms tailor content based on users' interests, searches, and behaviour. This personalization creates more relevant and filtered experiences.

- **Personal and cultural factors**

Age, lifestyle, culture, and personality can affect preferences, and social media can expose audiences to new trends, global lifestyles, and new products.

- **Awareness**

Social media helps users discover both new and established brands easily. Products can gain viral awareness through authentic user recommendations, not just paid promotions.

Conclusion:

The study shows that social commerce is a major advancement in e-commerce, combining online transactions with social interaction. It emphasizes engagement, personalization, and community influence, making it more impactful on consumer behaviour than traditional e-commerce. Factors like social proof, influencer marketing, user-generated content, and convenience strongly influence purchase decisions. Social commerce helps businesses improve customer engagement and sales through interactive strategies. Despite limitations such as reliance on secondary data and concerns about privacy and trust, social commerce is expected to grow rapidly. It represents the future of online shopping by offering a more personalized and seamless experience.

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