



SOCIAL COMMERCE AS A CATALYST FOR INCOME GROWTH: AN EMPIRICAL STUDY OF HOME-BASED SELLERS

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ABSTRACT

Despite the rapid proliferation of social commerce platforms, there is a significant disconnect between the perceived glamour of digital entrepreneurship and the actual lived experiences of home-based sellers. This study aims to examine the socio-economic profile of home-based sellers engaged in social commerce and analyze the extent of income generation achieved through these activities. Collecting primary data from 153 respondents in Coimbatore, the research assesses how social commerce features influence earnings and identifies severe operational challenges such as high shipping costs, courier delays, and workspace overlap. The findings highlight that while sellers achieve sustainable margins, mitigating logistical and spatial constraints is vital for consistent income growth.

KEY WORDS: Social Commerce, Home-Based Sellers, Income Growth & Micro-entrepreneurs.

1.1 INTRODUCTION

The way we buy and sell has fundamentally transformed, shifting from traditional brick-and-mortar and impersonal e-commerce giants to highly personalized digital marketplaces directly within our homes. This democratization of retail has birthed a resilient class of home-based micro-entrepreneurs who leverage platforms like Instagram and Facebook to reach global audiences without the massive financial barriers of commercial leases or large inventories. Rooted deeply in authentic human connection, this movement allows everyday individuals from stay-at-home parents to artisans to monetize their unique stories and community trust. This intimate, word-of-mouth approach often yields higher conversion rates and profit margins than traditional corporate advertising. Consequently, social commerce acts as a powerful catalyst for tangible income growth, offering a highly viable pathway to financial independence for marginalized or underemployed populations. For many families, this digital side-hustle is not just disposable pocket money; it covers essential utilities, funds education, or even entirely replaces stagnant nine-to-five jobs. By providing the unique flexibility to scale operations based on personal capacity, these accessible digital tools are actively altering socioeconomic trajectories, firmly establishing social commerce as a legitimate and highly effective modern engine for upward economic mobility.

While the overarching narrative of social commerce is overwhelmingly positive, academic integrity demands an empirical, data-driven investigation to move beyond carefully curated viral success stories and examine the exhausting everyday realities. Rigorous research is incredibly necessary to gather actionable, unbiased data regarding average income growth, long-

term business sustainability, and the severe vulnerabilities these micro-entrepreneurs face against algorithmic changes, market saturation, and digital fatigue. This study is specifically designed to bridge the glaring gap between inspiring social media anecdotes and hard economic facts by meticulously mapping the unique financial journeys of home-based sellers. By doing so, it will provide vital insights for platform developers and policymakers looking to create fairer economic regulations and safety nets for the gig economy. More importantly, this research formally validates the immense, often invisible effort put forth by these digital pioneers, acknowledging that selling from a living room is demanding work requiring immense resilience and constant adaptation. By firmly grounding our understanding in solid statistical evidence while remembering the real humans behind the data points, this deep dive into grassroots capitalism ultimately aims to empirically prove how social commerce is fundamentally reshaping the future of personal income generation.

1.2 OBJECTIVES OF THE STUDY

1. To examine the socio-economic profile of home-based sellers engaged in social commerce.
2. To assess the role of social commerce features (such as live selling, social media engagement, and digital payment systems) in influencing sellers' earnings.
3. To analyze the extent of income generation and income growth achieved through social commerce activities by home-based sellers.
4. To identify the challenges faced by home-based sellers in achieving consistent income growth through social commerce platforms.



1.3 RESEARCH METHODOLOGY

Area of Study

This study focuses on the social commerce segment of the digital retail industry in Coimbatore. It examines the socio-economic profile of home-based sellers, evaluates the impact of social commerce features on earnings, analyzes income generation, and identifies the operational challenges faced by sellers.

Sampling Design

The study adopts a non-probability referral sampling technique, specifically convenience sampling, to collect data from respondents. This approach ensures easy access to relevant participants with prior experience in social media-based selling.

Target Population:

The target population comprises home-based micro-entrepreneurs in Coimbatore who have used social media platforms such as Instagram, Facebook, and WhatsApp for business purposes.

Sampling Method

Non-probability referral sampling is employed, where respondents are identified through digital networks and data is collected using a structured questionnaire.

Sample Size

A total of 153 respondents are selected to ensure reliable and meaningful analysis.

2. REVIEW OF LITERATURE

Memon, Shaikh E. Tunio & Baloch (2023) examine sellers' perceptions of live-streaming affordances in social commerce and highlight how real-time interactions enhance selling effectiveness. The study finds that features such as instant audience polling, live Q&A sessions, and limited-time discounts create purchase urgency similar to traditional auction

environments. It also emphasizes the performative nature of live-stream retail, noting that sellers must sustain high energy and engagement levels. The findings indicate that seller authenticity and charisma significantly influence consumer purchase decisions, while also imposing emotional and psychological demands on sellers.

Della Ayu Sevira (2023) analyzes the impact of social media marketing activities on brand loyalty and consumers' willingness to pay premium prices, mediated by brand equity and moderated by income levels. The study reveals that consistent and high-quality digital engagement strengthens brand equity, thereby reducing customer price sensitivity. It further highlights that lower-income consumers require greater social validation before accepting premium pricing. The research concludes that strategic social media engagement plays a crucial role in long-term pricing power and customer retention.

Leong, Hew, Ooi, Hajli & Tan (2024) revisit the social commerce paradigm by proposing an updated theoretical framework and outlining future research directions. The study incorporates advancements in artificial intelligence, machine learning, and predictive analytics to reflect the evolving digital retail environment. It also raises concerns regarding ethical issues associated with hyper-personalization and algorithm-driven consumer influence. Additionally, the authors emphasize the need for further research on emerging technologies such as augmented reality and immersive virtual shopping experiences to ensure continued academic relevance.

3. RESULTS AND DISCUSSION

Data analysis and interpretation in research involve examining and processing data to uncover patterns, trends, and relationships, followed by making sense of those findings.

Table3. 1 Age of the respondents

Age	Frequency	Percentage
Below 18 Years	8	5.2
18-24 Years	111	72.5
25-34 Years	18	11.8
35-44 Years	5	3.3
45-54 Years	8	5.2
55+ Years	3	2.0
Total	153	100.0

It is evident from the above table that 72.5% of the respondents belong to the age group 18–24 years, 11.8% belong to 25–34

years, 5.2% belong to below 18 years, 5.2% belong to 45–54 years, 3.3% belong to 35–44 years, and 2.0% belong to 55+ years.

Table 3.2 Gender of the respondents

Gender	Frequency	Percentage
Male	66	43.1
Female	87	56.9

Out of 153 respondents, 56.9% are female and 43.1% are male.



Table3. 3 Investment to start the business by the respondents

Investment	Frequency	Percentage
Less than Rs. 5,000	33	21.6
Rs.5,000 – Rs.20,000	34	22.2
Rs.20,000 – Rs.50,000	37	24.2
More than Rs.50,000	49	32.0
Total	153	100.0

It is evident from the above table that 32.0% of the respondents invest more than Rs.50,000, 24.2% invest Rs.20,000 – Rs.50,000, 22.2% invest Rs.5,000 – Rs.20,000, and 21.6% invest less than Rs. 5,000.

Table 3.4 Motivating factors for social commerce of the respondents

Ranking	Mean	Rank
Frictionless Sales	5.8497	1
Organic Reach	5.1634	2
DTC Relationship	5.0000	3
Flexible Work hours	3.7778	4
Financial Independence	3.3791	5
Earn From Hobby	2.4837	6
Low Operating Cost	2.3464	7

Respondents highly prioritize operational efficiency and market expansion, ranking Frictionless Sales first, Organic Reach second, and DTC Relationships third. Personal lifestyle and financial benefits hold moderate importance, with Flexible

Workhours ranked fourth, Financial Independence fifth, and Earn from Hobby sixth. Maximizing revenue significantly outweighs minimizing expenses, placing Low Operating Cost last in the seventh rank.

Table3. 5 Social commerce apps usage frequency by the respondents

Usage Application	Multiple times a day	Once a day	Few times a week	Irregularly
Instagram	100	30	15	8
Facebook Marketplace	21	46	35	51
WhatsApp Business	61	54	32	6
YouTube	45	38	30	40
Reselling Apps (Meesho, Amazon, etc.)	30	47	49	27

Instagram drives the most intense daily interaction, with 65.4% of respondents using the application multiple times a day. Both WhatsApp Business and YouTube also see their highest engagement in the "multiple times a day" category, reported by 39.9% and 29.4% of users, respectively. Conversely, the most

common usage rate for Reselling Apps is a few times a week at 32.0%, while Facebook Marketplace sees the most sporadic engagement, with its largest segment (33.3%) using the platform irregularly.

Table 3.6 Replying time for direct messages by the respondents

Direct Messages	Frequency	Percentage
Instant (within minutes)	42	27.5
Within a few hours	67	43.8
End of the day	32	20.9
24+ hours	12	7.8
Total	153	100.0

It is evident from the above table that 43.8% of the respondents respond to direct messages within a few hours, 27.5% respond

instantly (within minutes), 20.9% respond by the end of the day, and 7.8% respond in 24+ hours.



Table 3.7 Income stability after starting social commerce of the respondents

Income stability	Frequency	Percentage
Very stable/Predictable	43	28.1
Somewhat stable	84	54.9
Highly fluctuating/Unpredictable	26	17.0
Total	153	100.0

It is evident from the above table that 54.9% of the respondents report their income stability as somewhat stable, 28.1% report it as very stable/predictable, and 17.0% report it as highly fluctuating/unpredictable.

Table 3.8 Average income (sales) of the respondents

Average Income	Frequency	Percentage
Less than Rs.10,000	29	19.0
Rs.10,000 – Rs.25,000	33	21.6
Rs.25,000 – Rs.50,000	42	27.5
Rs.50,000 – Rs.1 Lakh	35	22.9
More than Rs.1 Lakh	14	9.2
Total	153	100.0

It is evident from the above table that 27.5% of the respondents have an average income (sales) of Rs.25,000 – Rs.50,000, 22.9% have Rs.50,000 – Rs.1 lakh, 21.6% have Rs.10,000 – Rs.25,000, 19.0% have less than Rs.10,000, and 9.2% have more than Rs.1 lakh.

Table 3.9 Average monthly expense of the respondents

Average Monthly Expense	Frequency	Percentage
Less than Rs.10,000	39	25.5
Rs.10,000 – Rs.25,000	43	28.1
Rs.25,000 – Rs.50,000	46	30.1
Rs.50,000 – Rs.1 Lakh	17	11.1
More than Rs.1 Lakh	8	5.2
Total	153	100.0

It is evident from the above table that 30.1% of the respondents have an average monthly expense of Rs.25,000 – Rs.50,000, 28.1% have Rs.10,000 – Rs.25,000, 25.5% have less than Rs.10,000, 11.1% have Rs.50,000 – Rs.1 Lakh, and 5.2% have more than Rs.1 Lakh.

Table 3.10 Annual profit of the respondents

Annual Profit	Frequency	Percentage
Less than Rs.80,000	41	26.8
Rs.80,000 – Rs.1,50,000	42	27.5
Rs.1,50,000 – Rs.4,00,000	41	26.8
More than Rs.4,00,000	29	19.0
Total	153	100.0

It is evident from the above table that 27.5% of the respondents have an annual profit of Rs.80,000 – Rs.1,50,000, 26.8% have less than Rs.80,000, 26.8% have Rs.1,50,000 – Rs.4,00,000, and 19.0% have more than Rs.4,00,000.

Table 3.11 Income growth of the respondents

Income Growth	Frequency	Percentage
Negative growth	9	5.9
Slow growth (Less than 10%)	70	45.8
Steady growth (10–30%)	62	40.5
Rapid growth (More than 50%)	12	7.8
Total	153	100.0



It is evident from the above table that 45.8% of the respondents experience slow growth (less than 10%), 40.5% experience steady growth (10–30%), 7.8% experience rapid growth (more than 50%), and 5.9% experience negative growth.

Table 3. 12 Operational challenges faced by the of the respondents

Scale Factors	Highly Agree	Agree	Neutral	Dis agree	Highly Disagree
High shipping cost affects my profit margin significantly.	97	32	11	5	8
Courier delays create problems in delivering products on time.	20	97	14	15	7
Packaging materials are expensive.	20	26	85	16	6
Constant demand to adapt to new content formats to satisfy algorithms.	26	32	25	59	11
Customer expectation for 24/7 customer service, leading to severe mental burnout.	27	19	20	26	61
Rising platform fees affect the micro-margins of home-based businesses compared to larger retailers.	32	27	31	37	26
Lack of skills required to produce high-quality content puts you at a disadvantage against brands with dedicated marketing teams.	25	31	33	40	24
Small storage spaces restrict bulk inventory purchases, leading to higher costs and missed sales.	25	37	35	35	21
Sellers find it hard to track and follow frequent, sudden changes in platform guidelines/policies.	34	47	31	30	11
Physical overlap of workspace and living space causes operational inefficiencies, where domestic duties interrupt business workflows.	34	39	23	32	25

The most significant issue is logistics, with a massive 63.4% of respondents highly agreeing that high shipping costs significantly affect their profit margins. Similarly, 63.4% agree that courier delays create problems in delivering products on time. When it comes to packaging materials being expensive, the largest group, 55.6%, remained neutral. Interestingly, sellers seem less concerned about content creation and customer service, with 38.6% disagreeing that adapting to new content formats is a constant demand, and 39.9% highly disagreeing that customer expectations for 24/7 service leads to severe mental burnout. Platform-related issues present a mixed bag, as 24.2% disagree that rising platform fees affect their margins, while 30.7% agree they find it hard to track frequent changes in platform policies. Regarding competition, 26.1% disagree that a lack of skills puts them at a disadvantage against brands with dedicated marketing teams. Finally, spatial constraints are a notable concern, with 24.2% agreeing that small storage spaces restrict bulk purchases, and 25.5% agreeing that the physical overlap of workspace and living space causes operational inefficiencies.

GAP ANALYSIS

Logistics Efficiency: A significant expectation gap exists in fulfillment reliability. With a vast majority citing shipping costs and delays as major hurdles, there is an urgent need for affordable third-party logistics aggregators and tailored micro-shipping contracts.

Spatial Operations: The physical overlap of workspace and living space causing operational inefficiencies points to a gap in physical infrastructure. Micro-entrepreneurs require localized

micro-warehousing or drop-shipping adaptations to scale without compromising their living environments.

4. SUGGESTIONS

Based on the comprehensive findings of this study, it is evident that home-based sellers require specialized support to reach their full potential. Financial institutions and policymakers must collaborate to introduce tailored micro-credit facilities and accessible grant programs. Such financial instruments would empower these micro-entrepreneurs to safely transition from a phase of slow, organic growth to rapid, sustainable scaling, all without jeopardizing their personal financial stability or relying solely on their own savings. As exorbitant shipping costs and unpredictable courier delays frequently emerge as the most severe operational bottlenecks, sellers must adopt proactive logistics strategies. Third-party logistics aggregators or localized bulk-shipping contracts to secure better rates. Alternatively, integrating transparent shipping fees directly into their pricing structures can help safeguard their standard 10% to 20% profit margins against unexpected delivery expenses. Finally, to actively combat the physical and psychological challenges associated with the overlapping of workspace and living space, these home-based enterprises should rethink their inventory management. Exploring modular home-storage solutions, utilizing localized micro-warehousing facilities, or shifting toward hybrid drop-shipping models can significantly alleviate spatial constraints and improve daily operational efficiency without intruding on the seller’s personal home environment.



5. CONCLUSION

The rise of home-based social commerce is fundamentally changing the modern retail landscape, driven predominantly by a dynamic demographic of young, highly educated individuals, with a strong and inspiring majority being female solopreneurs. By leaning heavily into the creation of authentic, highly engaging short-form video content, they are effectively capturing modern consumer attention. This digital savvy allows them to secure steady and reliable income growth around 10% to 20%. But the reality of running a bustling retail business from a living room comes with distinct, often hidden hurdles. High shipping costs and highly unpredictable courier delays act as major, frustrating roadblocks. These logistical nightmares severely restrict the seller's ability to seamlessly scale up their business operations. The practical toll cannot be ignored; it is incredibly tough to establish healthy boundaries and separate work from personal life when a professional workspace completely overlaps with family living areas. The future of this vibrant sector depends on collaborative structural support. If major e-commerce platforms, government policymakers, and national delivery companies can come together to offer targeted solutions such as improved micro-logistics networks, cheaper shipping rates, and highly accessible micro-loans these resilient home-based entrepreneurs will become a truly unstoppable force in the global economy.

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