



SOCIAL COMMERCE AND INFLUENCER MARKETING: A NEW PARADIGM FOR INDIAN E-COMMERCE

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ABSTRACT

The rapid growth of social media has transformed traditional marketing and reshaped global e-commerce practices. This study examines the major platforms used in social media marketing and analyzes the impact of social commerce and influencer marketing on worldwide e-commerce sales. Social commerce enables direct purchasing through social media platforms, while influencer marketing enhances consumer trust, engagement, and purchase intention through authentic and relatable content. The study further explores key challenges faced by brands, including issues related to influencer authenticity, accurate measurement of marketing performance, and compliance with evolving regulatory and disclosure requirements. Findings from existing literature indicate that although social commerce and influencer marketing significantly boost brand visibility and online sales, their effectiveness depends on transparency, credibility, and ethical practices. The study contributes to a better understanding of how businesses can strategically leverage social media marketing while addressing emerging challenges in the digital commerce ecosystem.

KEYWORDS: Social Media Marketing, Social Commerce, Influencer Marketing, E-Commerce, Consumer Behavior, Digital Marketing

I. INTRODUCTION

The rise of social commerce and influencer marketing in India has disrupted traditional e-commerce models, enabling brands to reach consumers directly through social media platforms. Influencers, with their authentic content and large followings, are now central to marketing strategies, helping brands build trust and drive conversions. In 2025, this shift is characterized by increased use of platforms like Instagram, WhatsApp, and emerging social shopping apps, as well as a growing reliance on data-driven influencer campaigns to maximize ROI.

II. REVIEW OF LITERATURE

Social commerce has emerged as a significant evolution of traditional e-commerce by integrating social media features such as user interaction, content sharing, and community engagement into online purchasing environments. Prior studies define social commerce as the convergence of social media and e-commerce, where consumer decisions are influenced not only by product information but also by social interactions, peer recommendations, and real-time engagement (Hajli, 2015; Zhang & Benyoucef, 2016). Research indicates that social commerce enhances consumer trust, perceived value, and social presence, which positively affect purchase intention and customer engagement (Hajli et al., 2017).

Influencer marketing has become a central mechanism within social commerce ecosystems. Influencers act as credible information sources who shape consumer attitudes and purchasing behavior through endorsements, reviews, and experiential content. Empirical studies show that influencer credibility, attractiveness, and expertise significantly influence

consumers' trust and purchase intention, often outperforming traditional digital advertising (Lou & Yuan, 2019; Djafarova & Rushworth, 2017). This effect is particularly strong among younger consumers, who perceive influencers as more authentic and relatable than brand-generated content.

The literature also emphasizes the role of trust and authenticity in influencer-driven social commerce. Influencer endorsements function as electronic word-of-mouth (eWOM), reducing perceived risk in online transactions and strengthening consumer confidence in e-commerce platforms (Cheung et al., 2021). Studies using the stimulus-organism-response (SOR) framework demonstrate that social stimuli such as influencer content and interactive features evoke positive emotional and cognitive responses, leading to higher purchase intention and loyalty (Lin et al., 2022).

Overall, existing research confirms that social commerce and influencer marketing are revolutionizing e-commerce by reshaping consumer decision-making processes and transforming social platforms into transactional spaces. While the positive impact on sales, engagement, and brand trust is well established, scholars also highlight the need for further research on ethical issues, transparency, and the long-term sustainability of influencer-based commerce models (Vrontis et al., 2021).

III. STATEMENT OF PROBLEM

The rapid growth of social commerce and influencer marketing in India is blurring the lines between content creation and sales, leading to increased competition, evolving consumer expectations, and the need for brands to adapt their marketing



strategies. While these trends are driving higher engagement and conversion rates, they also present challenges related to authenticity, measurement of ROI, and regulatory compliance. There is a lack of comprehensive understanding about how these dynamics are specifically reshaping Indian e-commerce and what best practices brands should adopt to remain competitive and trustworthy in this evolving environment.

IV. OBJECTIVES OF THE STUDY

- To Study the different platforms of social media marketing.
- To Study the impact of social commerce and influencer marketing on e-commerce sales world wide.
- To explore the challenges faced by brands, including issues of authenticity, measurement, and regulatory compliance in influencer marketing and social commerce.

V. RESEARCH METHODOLOGY

The study is based on secondary data which is collected from various books, National and International journals and from various websites which focused on various aspects of E-Commerce in India and word wide.

VI. LIST OF SOCIAL COMMERCE PLATFORMS IN 2025

To truly thrive, brands need to identify where their audience congregates and, more importantly, where they convert. Here’s a strategic overview of the top-performing social commerce platforms shaping 2025:

Instagram: The Visual Conversion Powerhouse

- **Why it shines:** Algorithms favor visually rich content like Reels. Shoppable tags in posts and Stories create instant purchasing paths. Creators often have integrated storefronts, blurring the lines between content and commerce.
- **2025 Edge:** Harness AI for dynamic product descriptions and utilize AR try- ons to enhance engagement.

SOCIAL MEDIA SATS IN INDIA

Table No: 1 SOCIAL MEDIA SATS IN INDIA MAY - 2025

SOCIAL MEDIA SATS IN INDIA MAY - 2025	
SOCIAL MADIA PLATFORMS	CONSUMPTION IN INDIA
Instagram	47.77%
Facebook	30.10%
YouTube	15.28%
Twitter(X)	3.42%
Pinterest	1.91%
LinkedIn	1.16%

WhatsApp: The Conversational Commerce Champion

- **Why it shines:** Direct, real-time conversations build immense trust. In-chat payments and delivery updates streamline the entire cycle. Group-based commerce is exploding for community-focused brands.
- **2025 Edge:** Deploy WhatsApp Flows to automate upsells, order confirmations, and personalized recommendations.

YouTube: Building Trust, Driving Sales

- **Why it shines:** Long-form content fosters deep trust and brand loyalty. Merch Shelves and YouTube Shopping offer direct purchase options. Educational content helps convert complex product decisions.
- **2025 Edge:** Establish your own YouTube storefront. Host shoppable livestreams with exclusive discounts.

Facebook: The Reliable Reach & Community Hub

- **Why it shines:** Massive user base, particularly for older demographics. Marketplaces and Shops are deeply ingrained in user behaviour. Powerful retargeting via the Meta Ads ecosystem.
- **2025 Edge:** Integrate Facebook Shops with Instagram for unified catalogs. Leverage Facebook Groups for hyper-local sales and community engagement.

Pinterest: The Intent-Driven Discovery Gem

- **Why it shines:** Users on Pinterest are often planning purchases, making them high-intent shoppers. Shoppable Pins dramatically reduce friction. AI-powered visual search enhances personalization.
- **2025 Edge:** Create seasonal Pin campaigns and integrate with e-commerce platforms for automated product syncing.

Snapchat: Niche, Engaging, and AR-Powered

- **Why it shines:** Dominates Gen Z engagement, especially for experience-led brands. AR try-ons boost confidence (fashion, beauty). Snap Map commerce connects digital users with physical locations.
- **2025 Edge:** Collaborate with creators for authentic endorsements and gamified product reveals.

Fig No: 1 SOCIAL MEDIA SATS IN INDIA MAY - 2025

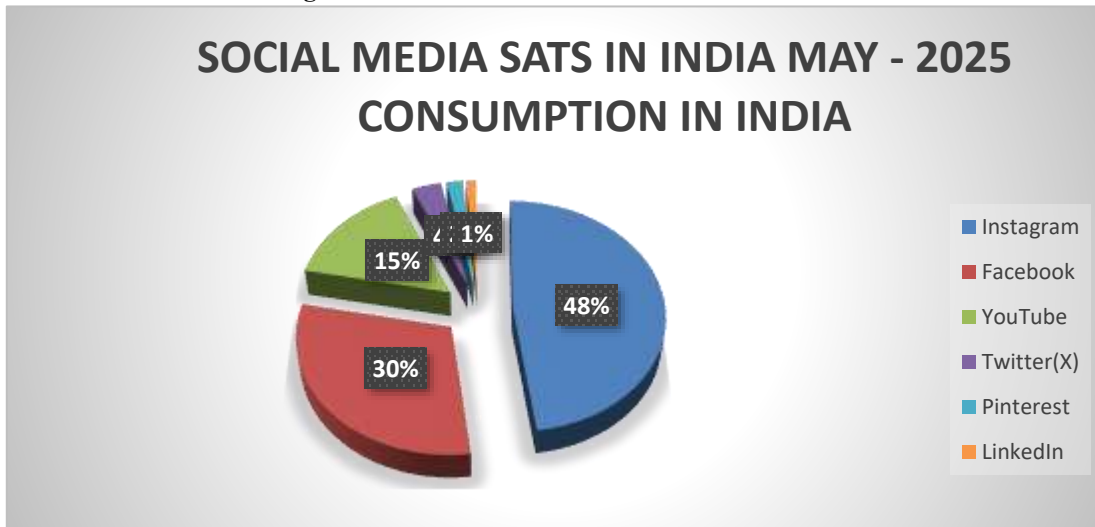


Fig No: 1

In India’s dynamic social media scene, Instagram is the most preferred platform for content consumption with an impressive 34.68% market share, reflecting its user engagement. However, Facebook is leading with a 45.63% share, indicative of its extensive reach and impact. YouTube maintains a strong presence with 10.21%, continuing to facilitate content sharing and social connectivity.

Interestingly, other social media platforms like Twitter, Pinterest and LinkedIn are also gaining traction, with market shares of 4.29, 2.21% and 1.41% respectively.

INFLUENCERS IN E – COMMERCE

In e-marketing, influencers are individuals with a substantial online following on social media who can affect their audience's purchasing decisions through endorsements and product placements. They are seen as experts or trendsetters in a specific niche, and brands collaborate with them to promote products to their engaged followers.

CONTENT CREATORS IN INDIA

The number of content creators in India is estimated at **2.5 to 3.5 million**, on platforms like YouTube and Instagram as per kofluence estimates reports. These creators are categorized based on their audience size and engagement levels:

- Nano-influencers typically engage with **1,000 to 10,000** followers.
- Micro-influencers cater to audiences ranging from **10,000 to 500,000**.
- Macro influencers usually command a following of **500,000 to 1million**.

Mega or Celebrity influencers boast audiences exceeding the **1million+ followers**.

Around **47%** of brands prefer using nano and micro-influencers for their influencer marketing campaigns as they offer a lower cost per reach. Conversely, larger brands often choose mega influencers with over a million followers. Approximately **7,000** major brands collaborate with mega influencers boasting follower counts exceeding **1M**.

VII. IMPACT OF SOCIAL COMMERCE & INFLUENCER MARKETING ON GLOBAL E-COMMERCE SALES

Category	Key Data / Statistic	Global Impact on E-Commerce	Source (Industry Reports)
Global Social Commerce Market Size	~\$700 billion (2024)	Rapidly becoming a major revenue channel within e-commerce	McKinsey, Statista
Projected Social Commerce Value	\$1.3–2.0 trillion by 2025	Expected to represent ~20% of total global e-commerce	McKinsey, Accenture
Share of Global E-Commerce	18–19% of total e-commerce sales	Shows shift from traditional websites to social platforms	Statista
China Social Commerce Share	~46.6% of total e-commerce sales	China leads global adoption of social shopping	Statista
Consumers Purchasing via social media	73% of global shoppers	Social platforms are now major shopping destinations	GlobalWebIndex
Gen Z Social Commerce Adoption	80%+ use social platforms for shopping discovery	Younger consumers drive future growth	Deloitte
Influencer Marketing ROI	\$6.50 revenue per \$1 spent	Influencers outperform many traditional ads	Influencer Marketing Hub



Consumers Influenced to Buy	49% buy at least monthly due to influencers	Strong effect on purchase decisions	Influencer Marketing Hub
Gen Z Influencer Purchases	32% purchased due to influencer recommendations	Influencers shape brand trust for youth	Morning Consult
Global Influencer Marketing Spend	~\$24 billion (2024)	Fastest-growing digital marketing segment	Statista
Platforms Driving Sales	TikTok, Instagram, Facebook, YouTube	In-app shopping reduces friction and boosts conversions	Meta, ByteDance reports

THE MARKET SIZE OF INFLUENCER MARKETING IN INDIA:

According to Statista the market size of influencer marketing in India is projected to reach **INR 68.75 billion** by 2025, reflecting a significant growth of **439%** from **INR 12.75 billion** in 2022. By 2027, it is expected to further expand to **INR 107.5**

billion, with a compound annual growth rate (CAGR) of **25%** until 2026.

Go through the table below for a detailed overview of the market value of India's influencer marketing industry from 2021 to 2027 (projected):

Table No: 2 MARKET VALUE (IN INDIAN RUPEES)

YEAR	MARKET VALUE (IN INDIAN RUPEES)
2027*	107.5 Billion
2026	98 Billion
2025	68.75 Billion
2024	55 Billion
2023	16.38 Billion
2022	12.75 Billion
2021	9 Billion

Source: Statista

VIII. CHALLENGES OF SOCIAL COMMERCE IN REVOLUTION OF E COMMERCE IN 2025

The challenges of social commerce in the revolution of e-commerce in India in 2025 include high dependency on cash-on-delivery (COD), manual order management, trust and credibility issues, rising customer acquisition costs, regulatory compliance, intense market competition, and consumer retention difficulties.

Major Challenges COD Dependency: Many first-time buyers prefer COD, increasing risks for sellers and complicating cash flow.

Manual Order Management: Orders via WhatsApp and DMs are often tracked manually, leading to inefficiencies and errors.

Trust & Credibility: Fake sellers and scams make consumers cautious, reducing conversion rates.

Regulatory Compliance: New regulations require mandatory disclosures by influencers and stricter data protection, increasing compliance costs.

Market Competition: The market is crowded, making it hard for new and small players to differentiate and gain visibility.

Customer Acquisition & Retention: Rising costs to acquire new customers and low brand loyalty make retention a challenge.

Logistics & Fulfilment: Rapid fulfilment expectations pressure sellers to maintain high service standards under cost constraints.

These challenges highlight the need for automation, transparency, robust compliance frameworks, and innovative strategies to sustain growth in India's social commerce

ecosystem.

INFLUENCER MARKETING CHALLENGES

In 2025, influencers play a pivotal role in the revolution of e-commerce, but they also face several key challenges that impact their effectiveness and credibility.

Main Challenges Oversaturation and Trust Issues: The influencer market is highly saturated, making it difficult for genuine creators to stand out. Consumers are increasingly sceptical and can spot inauthentic or overly promotional content, which undermines trust and reduces conversion rates.

Measuring ROI: Accurately measuring the return on investment (ROI) of influencer campaigns remains a significant challenge. Attribution is complicated by multi-touch customer journeys, where sales may not be directly linked to the influencer's content due to delayed purchases or multiple touchpoints.

Scaling Campaigns: Managing influencer partnerships at scale is complex, especially when coordinating across multiple platforms and tracking content performance. Manual processes often limit efficiency and scalability, making it hard to maintain consistency and optimize results.

Authenticity and Integration: Influencers must seamlessly integrate product recommendations into their content to maintain authenticity. Overly sales-driven or forced promotions can alienate audiences and reduce engagement.

Regulatory and Legal Issues: The legal landscape for influencer marketing is evolving, with increased scrutiny on



disclosure requirements, advertising standards, and compliance. Failure to adhere to regulations can lead to reputational damage and legal consequences.

EMERGING SOLUTIONS

- Brands and influencers are adopting data-driven tools and comprehensive tracking systems to measure campaign impact and optimize strategies.
- Emphasis is placed on building authentic relationships, using organic content, and leveraging platform-integrated shopping features for direct sales.
- There is a growing focus on transparency, compliance, and ethical marketing practices to rebuild consumer trust. These challenges highlight the need for strategic planning, technological integration, and ethical conduct in influencer-driven e-commerce for sustained success in 2025

CONCLUSION

Social commerce and influencer marketing are fundamentally changing the Indian e-commerce ecosystem by making shopping more personalized, interactive, and trust-driven. Brands that adapt to these trends by leveraging influencer partnerships and optimizing social commerce strategies are likely to achieve higher engagement and sales. However, success also depends on addressing challenges related to authenticity, measurement, and regulatory compliance to maintain consumer trust and ensure sustainable growth.

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