

A STUDY ON THE ROLE OF SOCIAL MEDIA IN SHAPING E COMMERCE IN INDIA



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**PARUL UNIVERSITY
P.O LIMDA, TAL: WAGHODIA, DIST: VADODARA,
GUJARAT STATE, INDIA-391760
MONTH, YEAR**

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I also declare that this project report is my original work and has not been previously submitted for the award of any Degree, Diploma, Fellowship, or other similar titles.

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(Name (in capitals) and signature of candidate)

Date:

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NAME: XXXXXXXXXXXXXXXXXXXX

ENROLLMENT NO: XXXXXXXXXXXX

MBA 2 Years

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EXECUTIVE SUMMARY /ABSTARCT

Among the many industries hit hard by the meteoric rise of social media, online shopping has taken a major hit. In order to better understand the impact that social media has had and will have on India's online retail scene, this research explores the complex web of relationships between e-commerce and social media. Due to factors such as a growing middle class with more discretionary money, more people using smartphones, and widespread access to the internet, India's e-commerce business has grown at an exponential rate over the last decade. At the same time, millions of Indians rely on social media sites like Facebook, Instagram, Twitter, and WhatsApp for almost all of their daily needs, and these sites have a significant impact on their tastes, habits, and spending habits. This research delves into the complex ways in which social media influences this ever-changing ecosystem, specifically looking at how it affects marketing tactics, brand development, customer involvement, and the expansion of online shopping as a whole.

Several important ways in which social media impacts Indian e-commerce are highlighted by the study. First, as compared to more conventional means of advertising, the low-cost reach of social media platforms allows firms to reach a large and varied audience. Businesses may improve the efficacy of their outreach initiatives by using data analytics and targeted advertising to create campaigns that are tailored to certain groups. In addition, customers may be engaged in real-time via social media, which strengthens connections and increases brand loyalty. By keeping an open channel of contact with their customers, companies may better respond to their questions, hear their suggestions, and adjust their products and services to match the ever-changing needs of consumers.

CHAPTER 1: INTRODUCTION

1.1 Introduction

More and more individuals are making purchases via online platforms, thanks to the meteoric expansion of social media and e-commerce. A lot of companies have taken use of the chances that social media networks provide to increase their consumer base. There is no denying the benefits of incorporating social media into internet marketing initiatives. The advent of online communities and networks made possible by social media has revolutionized the way people communicate and share knowledge. Facebook, Instagram, Snapchat, LinkedIn groups, Flickr, YouTube, and Vimeo are some of the most popular social networking platforms. A company's marketing budget should include social media and e-commerce since they provide a great way to engage with the target audience. There is an almost infinite number of channels for communication, knowledge exchange, and advertising, from Instagram to LinkedIn. Connecting with new consumers and keeping in touch with current ones is a certain way for effective social marketing to immediately increase value. Customers may have their questions and comments answered quickly and easily via social media, which improves customer service.

Internet marketing, or online marketing, is the practice of promoting a business and its products or services using the World Wide Web. Many different channels are available to businesses nowadays. Some of these channels include social media, email, and search engines. Online marketing is carried out only on the internet or via e-commerce platforms, as opposed to conventional marketing that depends on non-internet mediums like print, radio, and television. The price tags for conventional and digital forms of advertising are different. Search engine optimization (SEO), social media advertising, and other forms of online marketing are accessible to businesses of all sizes, and they often provide a better return on investment (ROI). Traditional advertising, on the other hand, is usually more costly and is usually reserved for more established firms. A company may speed up its growth, boost sales, and improve its exposure to the market by merging conventional and internet marketing strategies. Thanks to rising smartphone ownership, cheaper data plans, and lightning-fast internet access, India's digital environment has seen a dramatic shift in the last few years.

Online shopping has exploded in recent years, thanks to the rise of the internet, and is now a major economic driver in India.

1.2 Research Problem

Despite its critical importance, little is known about how social media influences e-commerce trends in India. In spite of the fact that social media is a major driver of engagement and sales, it is still not apparent how exactly these platforms impact buying choices in India. The influence of regional cultural subtleties, the efficacy of influencer marketing, and the function of user-generated content in establishing trust and engagement with consumers are important topics that require more research. In order to succeed in the varied Indian market, companies need to fill these gaps in their knowledge of social media and e-commerce.

1.3 Objectives

1. To analyze the impact of social media on consumer purchasing decisions in India's e-commerce sector.
2. To evaluate the effectiveness of influencer marketing on social media platforms in driving e-commerce sales in India.
3. To investigate the role of user-generated content in building consumer trust and engagement in Indian e-commerce.
4. To examine how regional cultural differences influence social media-driven e-commerce trends in India.

1.4 Need

Given the rapid expansion of India's online marketplace, this research is crucial for gauging the impact of social media on current trends in online shopping in the country. To improve customer engagement on social media, companies should analyze the effects of influencer marketing, UGC, and cultural subtleties. The e-commerce platforms in India may use these information to boost client trust, increase sales, and maintain a competitive edge in the ever-changing industry.

1.5 Limitation

One disadvantage of the research is that it might be biased since e-commerce and social media platforms are always changing, which means that the results could be irrelevant in a short amount of time. The research may also struggle to capture the subtle cultural differences across India's huge and diverse population, which would make the conclusions less applicable to other countries. In addition, the different degrees of social media activity and digital literacy among respondents might limit the data collecting.

CHAPTER 2: REVIEW OF LITERATURE

2.1 Literature Review

According to research by Kapoor, A., Gupta, R., and Jain, S. (2018), social media plays a major role in shaping Indian customers' actions by providing a venue for product discovery, review, and purchase. Social media sites that facilitate user-to-user reviews and recommendations, such as Instagram and Facebook, play a significant role in influencing consumers' final purchase choices.

According to Patel, R., & Jain, M. (2020), Indian companies use a variety of social media marketing approaches to expand their customer base and strengthen their online visibility. Ads on social media, collaborations with influential users, and content marketing all work together to raise consumer interest in a company and encourage them to buy online.

Social media has a pivotal role in establishing credibility and trust, which is vital for the success of online businesses (Kumari, A., & Kumar, N., 2019). Companies may engage with consumers, resolve issues quickly, and demonstrate openness on platforms like LinkedIn and Twitter, which helps to establish a trustworthy reputation for the business.

According to Sharma, P., and Verma, K. (2021), consistent social media participation increases client retention. In order to encourage consumer loyalty and repeat purchases, Indian e-commerce businesses use social media to notify customers about new items, deals, and corporate changes.

According to Sen, B., & Mangla, R. (2020), influencers play a critical role in India's e-commerce scene. Reviews and endorsements from these influencers may boost e-commerce

firms' exposure and trustworthiness, which in turn can raise conversion rates when compared to more conventional forms of promotion.

According to Gupta, V., and Malhotra, R. (2019), analytics tools for social media provide great information on consumer habits and preferences. Indian e-commerce businesses use this data to fine-tune their advertising, provide better service, and increase revenue. E-commerce tactics that rely on data-driven judgments and social media analytics are now failing.

According to research by Mehta, S., and Singh, R. (2021), social media user-generated content (UGC) including reviews, testimonials, and unboxing videos has a substantial impact on the purchasing choices of prospective consumers. Online marketplaces in India promote user-generated content (UGC) as a means to establish credibility and reliability for their wares.

The rise of social media on mobile devices has an effect on m-commerce, as pointed out by Rao, V., and Soni, S. (2020), who noted that more and more people have smartphones. Many Indian customers start their product discovery journeys on social networking applications, and then they easily go on to mobile-friendly e-commerce sites to complete their purchases.

In their discussion of ways to improve the online buying experience, Choudhary and Dey (2021) focused on e-commerce systems that include social network aspects directly. Shopping inside social media feeds has never been simpler than with features like Instagram Shopping's in-app purchases, social sharing, and social login.

According to Kaur, H., & Kaur, P. (2019), visual material, such as photos and videos, plays a vital role in capturing the attention of social media users. Investing extensively in visually engaging content helps e-commerce enterprises in India catch attention and efficiently deliver product specifics. When it comes to visual e-commerce, platforms such as Instagram and Pinterest are kings.

The importance of effective social media marketing in raising e-commerce brand recognition was highlighted by Chopra, A., & Sehgal, S. (2020). Brands may expand their audience reach, generate buzz, and direct visitors to their online stores with interactive postings, hashtag challenges, and viral campaigns.

According to research by Reddy, S., and Rao, P. (2020), consumers are able to express their thoughts and suggestions via social media. In order to enhance their goods and services,

Indian e-commerce enterprises diligently track and respond to this criticism. Improving customer happiness and loyalty is as simple as responding quickly to consumer inquiries and concerns on social media.

Online retailers may more precisely target certain groups with the use of social media ads (Aggarwal, S., & Agarwal, R., 2018). Companies may increase engagement and conversion rates by using user data to develop targeted ad campaigns that speak to their target demographic.

CHAPTER 3: INDUSTRY PROFILE

Overview of the Indian e-commerce industry

An increasingly important part of India's economy, the e-commerce sector has expanded and changed rapidly during the last decade. The e-commerce scene in India has changed fast to suit the varied tastes of customers thanks to the country's expanding middle class, growing number of internet users, and popularity of smartphones. Online retailers have a huge unrealized opportunity in India's massively populous and increasingly tech-savvy young market, which numbers over 1.3 billion people. Products and services offered by this sector span several categories, including but not limited to digital entertainment, fashion, grocery, home goods, and electronics. Online shopping has changed the way people buy things, especially in metropolitan and semi-urban areas, due to its large selection, low prices, and ease of use. A number of factors are propelling the Indian e-commerce business forward, including more people having access to the internet, more people using smartphones, more people feeling comfortable making purchases online, and more disposable money. There has been an increase in the desire for online shopping experiences due to a number of causes, including urbanization, changing lifestyles, and the emergence of the millennial population.

Historical development and growth trajectory

From its infancy to its current position as a lynchpin of India's digital economy, the e-commerce industry's historical development and growth trajectory is astonishment-inspiring. This adventure begins in India during the early years of the internet, in the late 90s and early 2000s. Online travel booking and ticketing services were the first e-commerce companies to appear during this time. Online travel agencies like MakeMyTrip and the Indian Railway

Catering and Tourism Corporation (IRCTC) were pioneers in the field, establishing the groundwork for what would later become e-commerce.

Midway through the 2000s, with the introduction of broadband internet and the widespread availability of personal computers, the e-commerce business in India reached its true turning point. A plethora of goods and services were made available to customers all across the nation via the proliferation of online marketplaces and retail platforms during this time. but they were eventually bought by Flipkart, eBay India, Indiatimes Shopping, and Rediff Shopping were among the first to provide online shopping in India, but on a much lesser scale than what would later be seen.

Launched in 2007 by Flipkart and followed by Amazon India in 2013, the early 2010s marked a turning point for the Indian e-commerce sector. These local and foreign companies brought new ideas to the table in terms of marketing, technology, and business models, which completely altered the Indian e-commerce scene. The advent of the cash-on-delivery (COD) payment option helped alleviate customer worries about the safety of online purchases, which in turn increased the popularity of online shopping.

With the proliferation of smartphones and mobile internet access, the e-commerce business in India picked up speed. Access to the internet was made more accessible, especially in rural regions and tier 2 and tier 3 cities, with the development of inexpensive smartphones and competitive data plans by telecom companies. With the proliferation of smartphones, m-commerce (mobile commerce) has grown in popularity as more and more people use them to purchase online, peruse inventory, and pay for items.

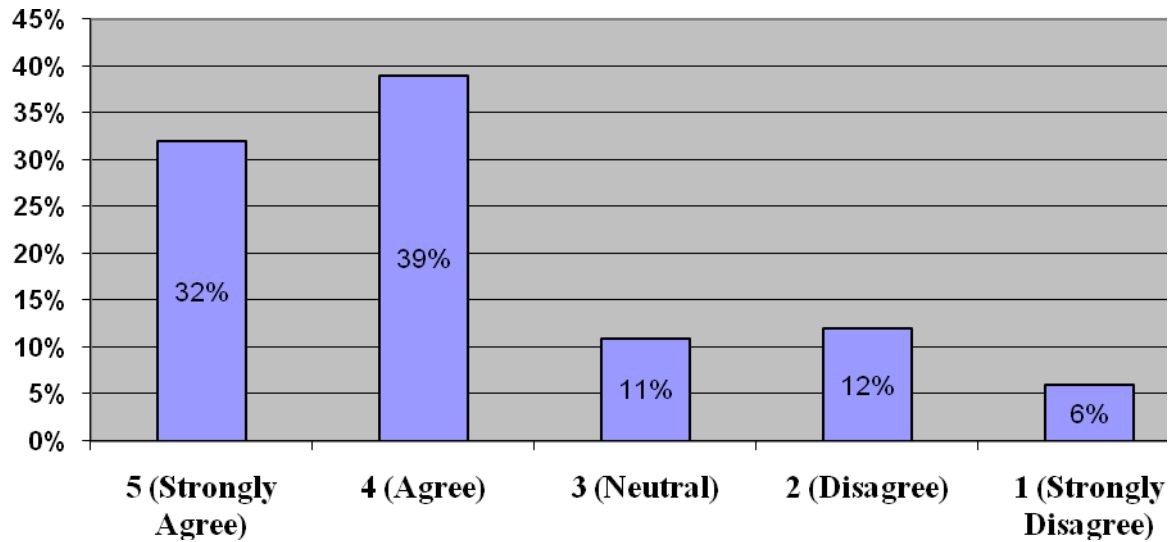
Online trade's significance to India's GDP

One of the most important factors in India's recent economic development, job creation, and digital transformation has been the rise of e-commerce. There is a huge opportunity for e-commerce businesses in India, thanks to the country's large population (nearly 1.3 billion) and its growing digital infrastructure. The expansion of India's gross domestic product (GDP), the creation of jobs, and the influx of foreign direct investment (FDI) are all greatly impacted by the e-commerce business. Especially in semi-urban and rural regions, where brick-and-mortar stores are typically absent, e-commerce has democratized access to products and services. Because of this, more people from all walks of life are able to participate in society and have more agency over the goods and services they purchase.

Online shopping has helped spur entrepreneurship and the creation of new jobs in India, two of the country's most important economic indicators. Online marketplaces have made it possible for mom-and-pop stores, solo vendors, and small businesses to expand their consumer bases well beyond their physical locations. Online marketplaces such as Flipkart, Amazon India, Snapdeal, and Paytm Mall provide vendors with a platform to display their wares, interact with buyers, and expand their enterprises. Because of this, millions of

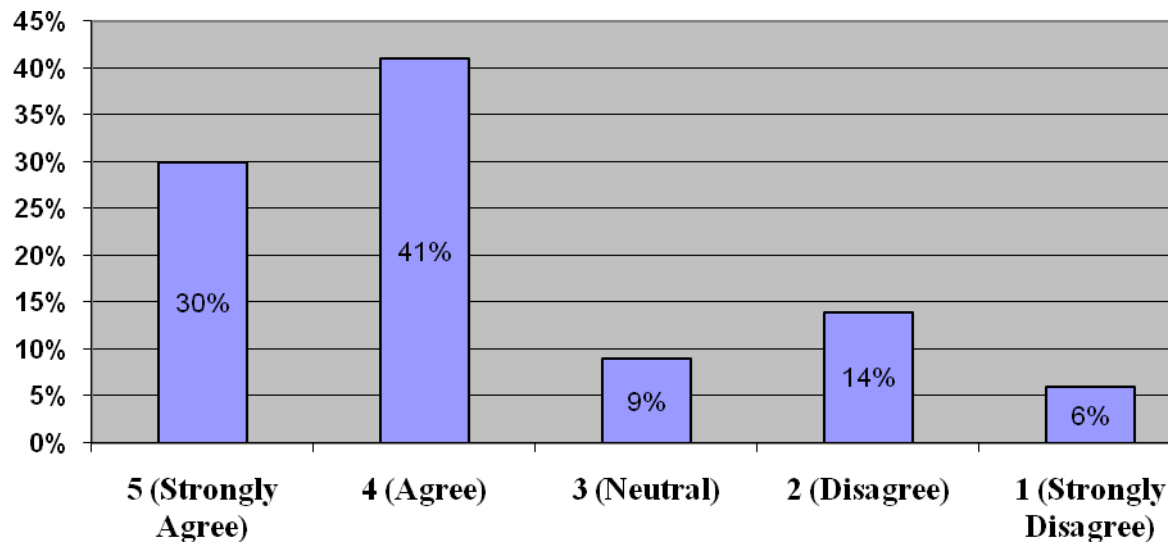
CHAPTER 4: DATA ANALYSIS AND INTERPRETATIONS

Q1. My choices to buy from e-commerce websites are greatly influenced by social media platforms.



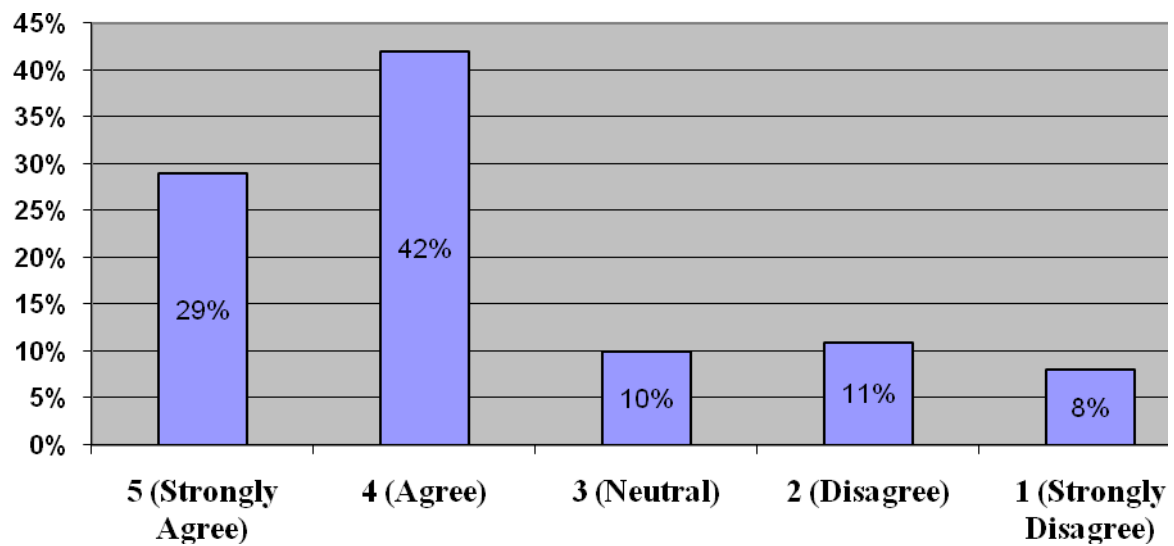
Twelve percent of respondents disagreed with the aforementioned statement, while thirty-two percent strongly agreed with it.

Q2. I often find new companies or items via recommendations or ads on social media.



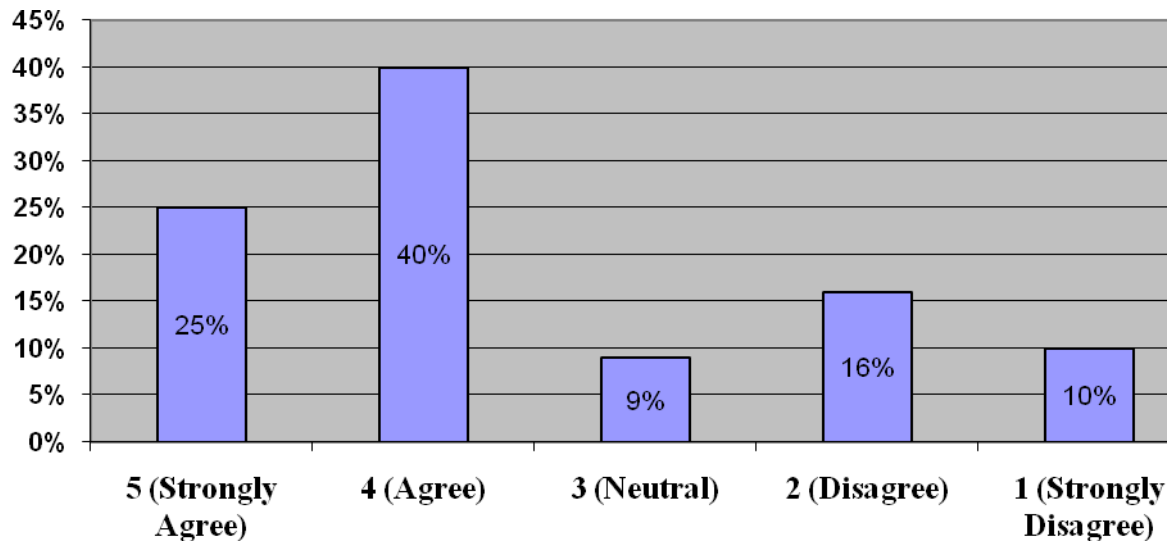
Thirty percent of respondents strongly agreed with the aforementioned statement, while fourteen percent disapproved.

Q3. My whole buying experience is improved by social media interactions with e-commerce firms.



While 11% of respondents disagreed with the aforementioned statement, 29% of respondents strongly agreed with it.

Q4. In order to keep up with e-commerce firms' most recent offerings and sales, I often follow them on social media.



Of those surveyed, 16% disagreed with the aforementioned statement, while 25% strongly agreed with it.

CHAPTER 5: CONCLUSION, FINDINGS & SUGGESTIONS

Improve Interactions on Social Media: Indian e-commerce businesses should make it a point to actively connect with their followers on social media by reacting quickly to questions, comments, and reviews. Establishing genuine relationships with clients increases their trust and loyalty, which in turn encourages them to buy from you again and spread the good news.

Capitalize on Partnerships with Influencers: The reach and effect of e-commerce firms on social media may be amplified via collaborations with content producers and influencers who connect with the target demographic. Finding influential people whose tastes and beliefs mesh with those of the company may aid in delivering genuine stories and establishing trust with consumers.

Brands that sell online should put money into social media advertising strategies that target certain demographics in order to increase conversions. Spending less on ads and getting more out of social media marketing is possible with the help of retargeting tactics, dynamic ad formats, and sophisticated targeting possibilities.

Customers can now buy things without ever leaving their feeds thanks to the seamless integration of shopping capabilities into popular social media platforms like Instagram Shopping and Facebook Marketplace. Online retailers may simplify the purchasing process and increase revenue from impulsive purchases by using these features.

Personalized information, suggestions, and offers may be sent to audiences by e-commerce firms by using data analytics and insights from social media interactions. Targeted marketing techniques and more relevant brand message may be informed by understanding customer preferences and activity on social media.

Online retailers should keep tabs on what's happening in the world of social media, platform changes, and customer tastes so they can adjust their strategy appropriately. In the ever-changing world of social commerce in India, companies can remain ahead of the curve and take advantage of growth possibilities by monitoring industry trends and customer opinion.

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ANNEXURE-QUESTIONNAIRE

Q1.Social media platforms play a crucial role in influencing my purchase decisions on e-commerce websites.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Q2.I often discover new products or brands through social media advertisements or recommendations.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Q3.Social media interactions with e-commerce brands enhance my overall shopping experience.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Q4.I frequently follow e-commerce brands on social media to stay updated on their latest products and promotions.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Q5.Social media presence is essential for e-commerce brands to build trust and credibility among consumers.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree