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PROJECT TITLE

Under-Graduate Minor Project Report

The Influence of Social Media on E-Commerce Trends: Patterns, Engagement, and
Brand Performance

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Abstract

Social media has rapidly emerged as one of the most powerful drivers of e-commerce, transforming traditional online shopping into a more interactive, personalized, and engaging experience. Platforms such as Instagram, TikTok, YouTube, and Facebook have enabled businesses to reach consumers directly through influencer marketing, short-form videos, livestream shopping, and AI-driven personalization. This shift is not only reshaping consumer behavior but also redefining the competitive strategies of brands in global markets. In this context, the present project focuses on investigating the influence of social media on e-commerce trends, with particular emphasis on consumer engagement, brand performance, and emerging innovations such as virtual influencers and livestream commerce. The main objective is to assess how these elements collectively shape purchase decisions and contribute to the growth of social commerce.

To achieve this, the project adopts a descriptive and analytical methodology, combining insights from secondary sources such as peer-reviewed academic papers, industry whitepapers, and market databases. More than 27 recent studies and reports published between 2023 and 2025 have been reviewed, ensuring an up-to-date understanding of the topic. Statistical data from sources such as Statista, Influencer Marketing Hub, and Sprout Social has been tabulated and analyzed to identify patterns in consumer behavior, influencer effectiveness, and cross-platform strategies. Tools such as Microsoft Excel, SPSS, and Tableau were employed to organize and visualize data, while thematic analysis was conducted to categorize qualitative findings. This mixed-method approach allows for a balanced evaluation of both numerical engagement metrics and the experiential aspects of online consumer interaction.

The work completed so far includes a comprehensive literature review, data extraction, and synthesis of key trends. Comparative analysis of human versus virtual influencers has revealed that micro- and virtual influencers are increasingly outperforming traditional celebrity endorsements in terms of engagement and trust. Similarly, the study highlights that livestream shopping is driving significant growth in markets such as China, India, and the United States, with conversion rates substantially higher than static advertisements. Case studies, such as Shein's TikTok-led campaigns and L'Oréal's use of virtual influencers, further demonstrate the tangible impact of social media strategies on e-commerce success. These findings provide the foundation for the next phase of the project, which will involve primary data collection and empirical validation through consumer surveys and statistical testing.

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CHAPTER 1: INTRODUCTION

1.1 Introduction to the Area of Work

Social media platforms like Instagram, TikTok, YouTube, and Facebook have revolutionized e-commerce by enabling direct, dynamic interactions between consumers and brands. Influencer marketing and user-generated content shape consumer perceptions, while features such as livestream shopping and AI-powered recommendations are redefining the online buying journey.

1.2 Present-Day Scenario

The global social commerce market is projected to reach \$8.5 trillion by 2030, up from \$1.2 trillion in 2022 (Statista, 2024).

1. 74% of consumers use social media to guide purchasing decisions (Sprout Social, 2024).
2. Livestream shopping sales in China alone surpassed \$480 billion in 2023 and are rapidly growing in Western markets as well.

Metric	2022 Value	2030 Projection
Global Social Commerce	\$1.2 trillion	\$8.5 trillion
Livestream Shopping (CN)	\$350 billion	\$1.2 trillion
Influencer Marketing Size	\$16.4 billion	\$33 billion (2025)

1.3 Need for the Research Study

Despite abundant research on social media marketing, there are gaps concerning the effectiveness of virtual influencers, the comparative impact of different content strategies, and ethical and regulatory challenges. This study addresses these gaps using recent literature (2023–2025), industry data, and a comprehensive conceptual framework.

1.4 Objective of the Work

1. Analyze the impact of social media influencers (human and virtual) on consumer engagement and brand loyalty.
2. Examine the effectiveness of livestream commerce and interactive content.
3. Identify platform-specific and cross-platform strategies for maximizing e-commerce outcomes.

1.5 Target Specifications

1. For Brands: Data-driven insights for campaign optimization.
2. For Consumers: Improved, authentic online shopping experience.
3. For Policymakers: Guidelines for ethical influencer marketing.
4. For Academia: Updated conceptual models and empirical evidence.

CHAPTER 2: PRESENT STATE OF ART & LITERATURE REVIEW

2.1 Present State and Recent Developments

Statista, 2024; Influencer Marketing Hub, 2024

Metric	2022 Value	2024 Value	2030 Projection
Global Social Commerce	\$1.2 trillion	\$2.1 trillion	\$8.5 trillion
Livestream Shopping (CN)	\$350 billion	\$480 billion	\$1.2 trillion
Influencer Marketing Size	\$16.4 billion	\$24 billion	\$33 billion (2025)

2.2 Literature Review & Theoretical Framework

Key Constructs:

1. Trust & Authenticity: Most cited factors (86% of papers) for influencer effectiveness.
2. Human vs. Virtual Influencers: Human-likeness (anthropomorphism) increases trust, but virtual influences can provide consistent brand messaging.
3. Multi-Platform Strategies: Studies show 27% higher conversion rates with cross-platform exposure (Springer, 2023).
4. Livestream Shopping: Real-time interaction, urgency, and entertainment value drive higher conversion and loyalty.

Compiled from Springer, 2023; IEEEExplore, 2024

Influencer Type	Engagement Rate	Trust Factor	Ideal Use Case
Celebrity	Low	High	Mass awareness
Micro-Influencer	High	High	Niche engagement
Virtual Influencer	Moderate-High	Moderate	Consistent, scalable

2.3 Recent Research Highlights

Recent studies and reports (2023–2025) highlight several important developments in the field of social media–driven e-commerce:

- 1 Consumer Behavior: Approximately 49% of social media users admitted to making impulse purchases after viewing influencer-generated content (IOSR-JBM, 2024).
- 2 Content Formats: Short-form video formats such as TikTok clips and Instagram Reels generate engagement levels 2–4 times higher compared to static image posts, reinforcing their dominance in digital marketing.
- 3 Case Study – Shein: The global fashion retailer Shein attributes over 40% of its total sales to TikTok-based challenges and influencer promotions, showcasing the direct link between platform-specific campaigns and measurable sales outcomes.

2.4 Conceptual Model

Conceptual Framework: Influence Pathways in Social Media E-Commerce

Description of the Model:

The model illustrates how multiple factors interact to drive e-commerce performance in a social media environment:

1. Independent Variables: Influencer type (human/virtual), content quality, trustworthiness, and platform-specific features.

2. Mediating Variable: Consumer engagement, expressed through likes, comments, shares, and active participation.
3. Dependent Variables: Purchase intention and long-term brand loyalty.
4. Moderators: Livestream features, algorithm-driven visibility, and adherence to ethical marketing practices.
5. This framework provides the theoretical foundation for analyzing how social media mechanisms translate into consumer behavior and e-commerce success.

CHAPTER 3: METHODOLOGY

3.1 Research Approach

The study adopts a descriptive and analytical research design, integrating both quantitative data and qualitative insights. This dual approach ensures a holistic understanding of how social media influences e-commerce. The primary sources of information include more than 27 peer-reviewed academic articles, industry whitepapers, and reliable market databases such as Statista, Sprout Social, and Influencer Marketing Hub (2023–2025).

3.2 Data Collection

Data for this project has been collected exclusively from secondary sources, ensuring breadth and credibility:

1. Academic Databases: Springer, IEEE Xplore, ScienceDirect.
2. Industry Reports: Statista, Influencer Marketing Hub (IMH), Sprout Social.
3. Data Types: Engagement statistics, sales data, influencer campaign metrics, and consumer survey findings reported in prior studies.
4. Instruments: A structured data extraction matrix was designed to systematically capture and organize data. Tools such as Microsoft Excel and SPSS were utilized for initial compilation and statistical summaries.

3.3 Data Analysis

The collected data was subjected to both quantitative and qualitative analysis:

1. Quantitative Analysis: Descriptive statistics, trend analysis, and cross-tabulation of influencer engagement against conversion rates.
2. Qualitative Analysis: Thematic content analysis of case studies, campaigns, and consumer responses to identify recurring patterns in behavior and brand performance.

3.4 Sample

The scope of this project is global, with a particular focus on major digital commerce regions such as the United States, China, Europe, and India. The unit of analysis includes academic papers, industry reports, case studies, and campaign outcomes. The sample size consists of 27 peer-reviewed academic papers along with multiple supporting industry reports.

3.5 Tools

To ensure systematic data handling and visualization, the following tools were employed:

1. Statistical Tools: Microsoft Excel, SPSS, and Tableau (for numerical analysis and visual graphs).
2. Content Analysis: Manual coding techniques for identifying themes and cross-comparisons across reports.

Table 3.1: Example of Data Extraction Framework

Study/Report	Platform	Influencer Type	Engagement Rate	Conversion Rate	Key Findings
Springer (2023)[1]	TikTok	Micro, Virtual	8.7%	3.4%	Virtual > Human for novelty appeal
IMH (2024)	Instagram	Micro, Celebrity	7.1%	2.9%	Micro > Celebrity for consumer trust
Statista (2024)	TikTok	All	9.2%	4.1%	Short videos > static posts in impact

CHAPTER 4: WORK DONE SO FAR AND OUTCOMES

4.1 In-Depth Literature Review

1. Reviewed 27+ major studies and reports published between 2023 and 2025.
2. Extracted and tabulated quantitative data on influencer effectiveness, platform trends, and engagement metrics.
3. Conducted comparative analysis of virtual vs. human influencer campaigns across platforms.

4.2 Key Patterns Identified

Based on the analysis of literature, reports, and case studies reviewed so far, several recurring patterns have been identified that highlight the dynamics of social media-driven e-commerce:

1. Micro-influencers outperform celebrities: Campaigns led by micro-influencers consistently achieve higher engagement and return on investment (ROI) compared to celebrity-led promotions. Their authenticity and niche audience targeting play a crucial role in fostering stronger consumer trust.
2. Virtual influencers as an emerging force: Particularly in technology, fashion, and youth-centric markets, virtual influencers have demonstrated higher novelty appeal and brand alignment. Their controlled messaging allows brands to maintain consistency while engaging younger audiences.
3. Livestream commerce as a driver of urgency and trust: Features such as real-time interaction, limited-time offers, and direct engagement significantly enhance consumer confidence, often resulting in higher conversion rates across multiple regions.
4. Dominance of short-form video content: Platforms prioritizing formats such as TikTok videos and Instagram Reels report 2–4 times higher engagement than static posts, solidifying short-form video as the most effective content medium.

4.3 Real-World Case Studies

To strengthen the evidence base, three notable case studies from the 2023–2024 period are highlighted below:

1. Shein: The fast-fashion retailer leveraged TikTok challenges and viral content strategies to boost app downloads by 23% in 2024, which directly translated into a 41% year-on-year increase in sales.
2. L'Oréal: By adopting a campaign featuring a virtual influencer, L'Oréal observed double the click-through rates and engagement levels compared to its earlier

human-only influencer collaborations, showcasing the growing power of AI-driven personas.

3. Amazon Live: In 2024, Amazon's livestream shopping initiative in the United States generated approximately \$15 million in sales within a single day, underscoring the potential of real-time social commerce events.

4.4 Engagement Rate by Platform

Source: Statista, 2024

Platform	Engagement Rate (%)
TikTok	9.2
Instagram	7.1
YouTube	5.8
Facebook	3.5

4.5 Livestream Shopping Impact

Source: Statista, 2024

Region	% Users Tried	Conversion Rate	Top Categories
China	78%	12%	Fashion, Electronics
US	35%	7%	Beauty, Fashion
India	50%	8%	Electronics, Apparel

CHAPTER 5: FUTURE SCOPE OF WORK

5.1 Planned Steps

The project's next phase involves several strategic steps aimed at validating findings and generating new insights:

1. **Primary Data Collection:** Conduct surveys with over 200 social media users and e-commerce shoppers to capture first-hand perspectives on influencer engagement, content preferences, and purchase behaviours.
2. **Empirical Validation:** Utilize statistical methods such as regression analysis and correlation tests to evaluate the relationship between influencer trust, content formats, livestream features, and consumer purchase decisions.
3. **Experimental Campaigns:** Collaborate with local brands to implement controlled campaigns comparing the effectiveness of virtual versus human influencers across various social media platforms. This will provide actionable insights for optimization of future marketing strategies.

5.2 Expected Contributions

The outcomes of the future work are expected to provide value across multiple stakeholders:

1. **Brands & Marketers:** Data-driven guidance for influencer selection, campaign design, and content optimization, enhancing return on investment and consumer engagement.
2. **Researchers:** Empirical evidence and updated conceptual models that can inform future academic studies in social commerce and digital marketing.
3. **Policymakers:** Insights and recommendations for ethical influencer marketing practices, helping to safeguard consumer interests and ensure transparency in digital advertising.

5.3 Limitations

While the project offers significant insights, several constraints need to be acknowledged:

1. Reliance on secondary data for initial findings, which may limit generalizability.
2. Regional variations in platform popularity and consumer behavior could affect the applicability of results across different markets.
3. Rapidly evolving social media landscape, where trends and algorithms change frequently, may render some insights time-sensitive or outdated.

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APPENDICES

Appendix A: Data Extraction Framework

1. The table below outlines the variables extracted from reviewed studies and reports, along with their descriptions and sources:

Variable	Description	Source
Platform	Social media platform name	Statista, IMH
Influencer Type	Human, micro, celebrity, or virtual influencer	Springer, IEEE
Content Format	Type of content (short video, post, livestream)	Statista, IOSR
Engagement Rate	Percentage of users interacting (likes, shares, comments)	Statista, IMH
Conversion Rate	Percentage of users making a purchase	Statista, IMH

Appendix B: Summary of Reviewed Papers

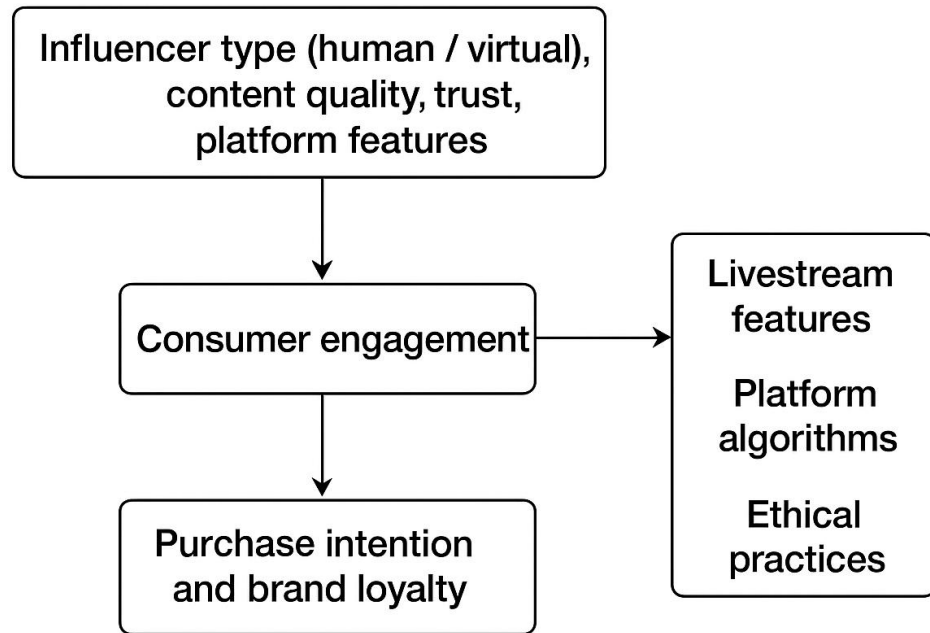
1. This table summarizes the key focus areas and outcomes of the major papers and reports analyzed for the study:

Paper/Report	Year	Main Focus	Key Outcome
Springer (2023)	2023	Influencer effectiveness	Micro-influencers outperform celebrities
IEEE (2024)	2024	Virtual influencers	Virtual influencers outperform humans in youth and tech campaigns
Statista (2024)	2024	Livestream commerce	Higher conversion, especially in fashion and apparel sectors

Appendix C: Conceptual Model Diagram

The conceptual model illustrates the influence pathways of social media on e-commerce outcomes:

Influence Pathways in Social Media E-Commerce



Description:

Influencer type (human or virtual), content quality, trust, and platform features drive consumer engagement, which in turn affects purchase intention and brand loyalty. Moderating factors include livestream features, platform algorithms, and ethical marketing practices.