



The Influence of Social Media on E-Commerce Trends

An Under-Graduate Minor Project Report by Manaswini and Vedant Sharma.

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Project Overview

Transforming E-Commerce Through Social Media

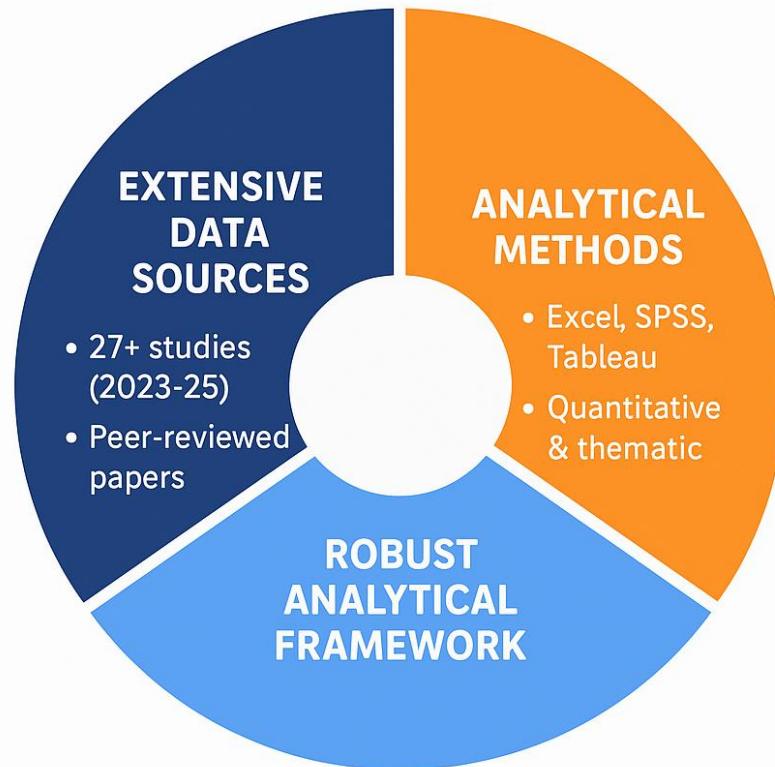
Social media has rapidly emerged as a powerful driver of e-commerce, transforming traditional online shopping into a more interactive, personalized, and engaging experience. Platforms like Instagram, TikTok, YouTube, and Facebook enable direct consumer reach through influencer marketing, short-form videos, livestream shopping, and AI-driven personalization.

This project investigates the influence of social media on e-commerce trends, focusing on consumer engagement, brand performance, and innovations like virtual influencers and livestream commerce. Our main objective is to assess how these elements shape purchase decisions and contribute to social commerce growth.

Methodology

A Comprehensive Research Approach

METHODOLOGY



Balanced evaluation covering both quantitative and qualitative approaches

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Extensive Data Sources

Our research is built upon a foundation of diverse and recent information, drawing insights from:

- Over 27 recent studies and reports (2023-2025)
- Peer-reviewed academic papers
- Industry whitepapers
- Comprehensive market databases

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Robust Analytical Framework

To ensure a balanced evaluation, we employed both quantitative and qualitative methods, utilizing:

- **Statistical Data Analysis:** Using Microsoft Excel, SPSS, and Tableau for data from Statista, Influencer Marketing Hub, and Sprout Social.
- **Thematic Analysis:** Categorizing qualitative findings to assess numerical engagement metrics and consumer interaction experiences.

Key Findings

Work Completed & Outcomes

Our comprehensive literature review, data extraction, and synthesis of key trends reveal significant insights:

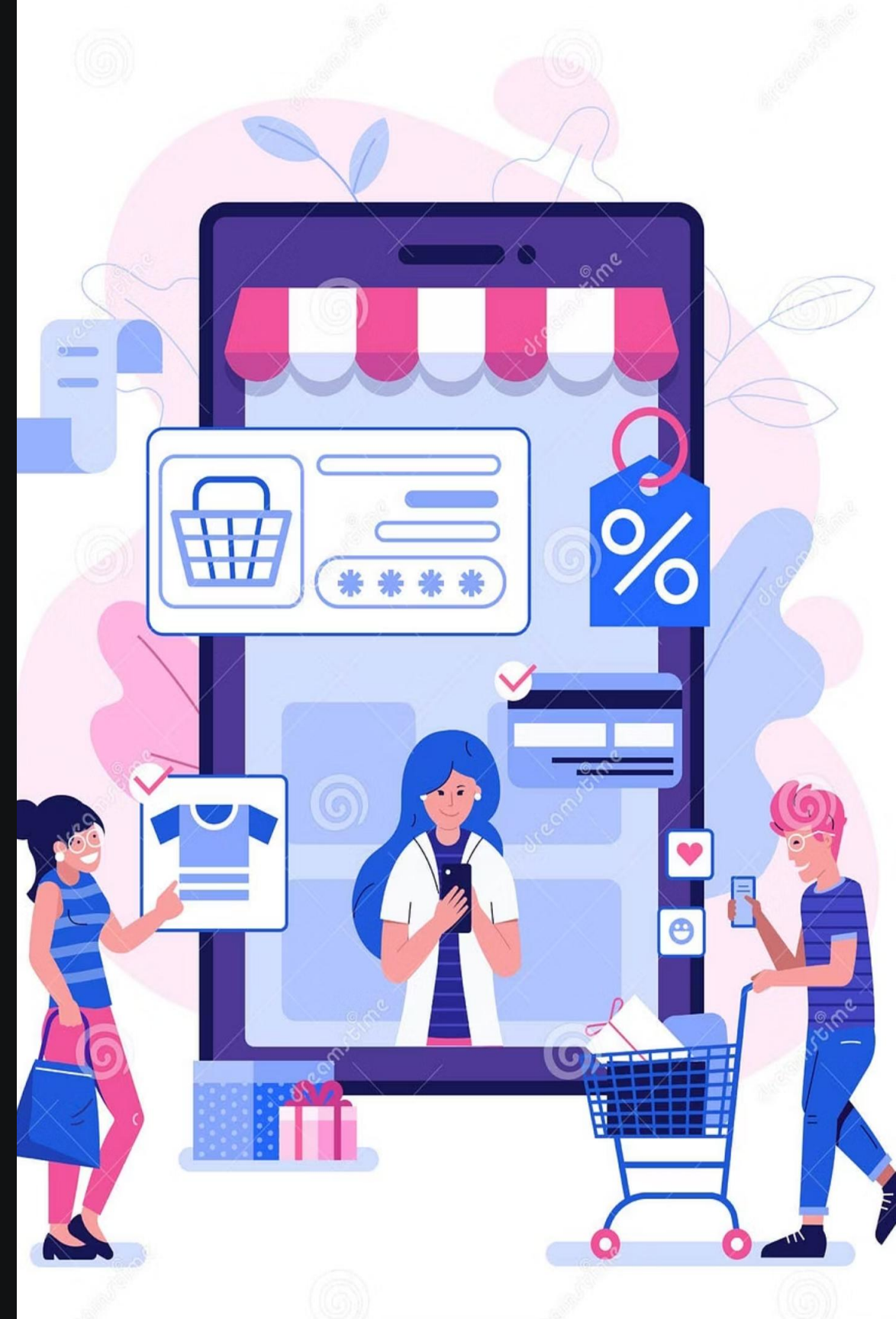
- **Influencer Effectiveness:** Micro- and virtual influencers increasingly outperform traditional celebrity endorsements in engagement and trust.
- **Livestream Shopping:** Driving significant growth in markets like China, India, and the United States, with conversion rates substantially higher than static advertisements.
- **Case Studies:** Shein's TikTok-led campaigns and L'Oréal's use of virtual influencers demonstrate the tangible impact of social media strategies on e-commerce success.

Introduction

The Present-Day Scenario

Social media platforms have revolutionized e-commerce, enabling direct and dynamic interactions between consumers and brands. Influencer marketing and user-generated content shape consumer perceptions, while features like livestream shopping and AI-powered recommendations redefine the online buying journey.

The global social commerce market is projected to reach **\$8.5 trillion by 2030**, up from **\$1.2 trillion in 2022** (Statista, 2024). Additionally, **74% of consumers** use social media to guide purchasing decisions (Sprout Social, 2024).



Market Projections

Growth in Social Commerce

| Category | 2021 | 2022 | 2025 |
|---------------------------|----------------|----------------|---------------------|
| 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) |

Livestream shopping sales in China alone surpassed **\$480 billion in 2023** and are rapidly growing in Western markets.

Literature Review

Key Constructs & Influencer Effectiveness

Our review highlights key constructs influencing social media e-commerce:

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



Celebrity Influencers

Low engagement, high trust, ideal for mass awareness.



Micro-Influencers

High engagement, high trust, ideal for niche engagement.



Virtual Influencers

Moderate-high engagement, moderate trust, consistent and scalable.



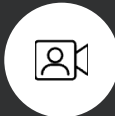
Research Highlights

Recent Developments (2023-2025)



Consumer Behavior

49% of social media users made impulse purchases after viewing influencer content (IOSR-JBM, 2024).



Content Formats

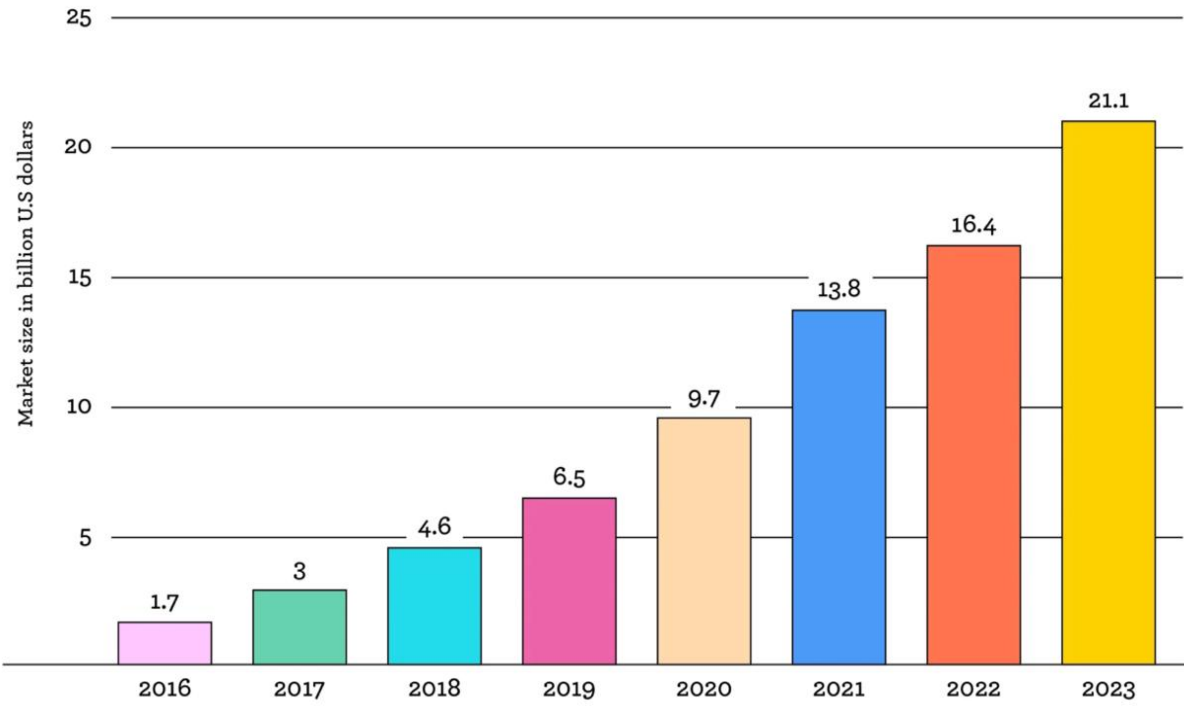
Short-form videos (TikTok, Instagram Reels) generate 2-4 times higher engagement than static posts.



Shein Case Study

Over 40% of Shein's sales attributed to TikTok challenges and influencer promotions.

Size of Influencer Marketing Industry



The conceptual model illustrates how influencer type, content quality, trustworthiness, and platform features drive consumer engagement, which in turn affects purchase intention and long-term brand loyalty. Livestream features, algorithm-driven visibility, and ethical marketing practices moderate these relationships.

Key Outcomes

Engagement Rates & Livestream Impact

Engagement Rate by Platform

| | |
|-----------|-----|
| TikTok | 9.2 |
| Instagram | 7.1 |
| YouTube | 5.8 |
| Facebook | 3.5 |

Livestream Shopping Impact

| | | | |
|-------|-----|-----|-----------------------------|
| China | 78% | 12% | Fashion, Electronic s |
| US | 35% | 7% | Beauty, Fashion |
| India | 50% | 8% | Electronic s, Apparel |

Future Work

Next Steps & Expected Contributions

The next phase involves primary data collection through surveys (200+ users) and empirical validation using regression analysis. We also plan experimental campaigns with local brands to compare virtual vs. human influencers.

Expected contributions include:

- **Brands & Marketers:** Data-driven guidance for campaign optimization and ROI.
- **Researchers:** Empirical evidence and updated conceptual models.
- **Policymakers:** Recommendations for ethical influencer marketing practices.

Limitations

Reliance on secondary data, regional variations, and the rapidly evolving social media landscape may limit generalizability and render some insights time-sensitive.

Thank You!