



# A Study on Emerging trend of S- Commerce among Gen Z

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**Abstract :** A new e-commerce paradigm known as social commerce (s-commerce) has emerged as a result of the growth of social networking sites (SNSs). S-commerce is a type of e-commerce that leverages social networking sites for user contributions and social interactions to make it easier for people to purchase and sell goods and services online. In India, e-commerce has grown quickly over the past few years, but with that development have come certain transaction-related problems, such as erroneous or missing deliveries. The success of s-commerce businesses is now largely dependent on customer trust, necessitating increased effort on the side of these businesses to win that confidence. In this context, this study examines the critical aspects of online shopping (User Trust, Social Influence, Privacy and Data Security, Reviews and Ratings, Seller Credibility etc.), that affect Indian customers' faith in online shopping. The Objective of the study is to study the recent emerging trend of Social commerce and to determine the factors affecting consumer perception in s-commerce adoption. The study also evaluates how customers' perceptions of making purchases or engaging in transactions on social media platforms relate to perceived risk in social commerce. According to the findings of an empirical investigation based on a sample of 200 online buyers, trust and buy intentions were both significantly impacted by each of the s-commerce characteristics. The findings have significant ramifications for s-commerce.

**IndexTerms - S- Commerce, Gen Z, Customer Perception.**

## I. INTRODUCTION

### 1.1 Social Commerce

Social networking platforms and online purchasing are combined in social commerce, commonly referred to as "s-commerce." It entails promoting and selling goods or services to customers directly through social media platforms like Facebook, Instagram, or Pinterest. Social commerce makes use of the engagement and social connections on these platforms to streamline purchase processes. Social media platforms or social networking sites are used to enable and carry out online business operations, which is referred to as social commerce. It mixes aspects of social networking and e-commerce to provide users a more dynamic and interesting purchasing experience. Social networking and online shopping are combined in the fast-developing notion of social commerce to give customers a distinctive purchasing experience. Social media's emergence has changed how individuals interact, communicate, and exchange information. Businesses have adopted social commerce as a tool to reach and connect with their target audience more effectively due to the large user base and engagement on these platforms. In social commerce, the emphasis is on using the social features of internet platforms to sway consumer choices and speed up transactions.

### 1.2 Growing Trend of S- Commerce

Buying goods from social media platforms was a growing trend, driven by the increasing integration of e-commerce functionalities into social media platforms. Here are some recent trends related to buying goods from social media platforms:

**Shoppable Posts and Tags:** Social media platforms, such as Instagram and Facebook, have introduced features that allow businesses to tag products directly in their posts or stories. Users can click on these tags to access product information and make purchases without leaving the platform. This trend has made the shopping experience more seamless and convenient.

**Influencer Marketing:** Influencer marketing has become a powerful force in driving purchasing decisions on social media platforms. Influencers with large followings endorse and promote products through sponsored posts, stories, or videos. Their recommendations and endorsements can significantly impact consumer buying behavior and drive sales for brands.

**Live Shopping:** Live shopping has gained popularity on platforms like Instagram, Facebook, and TikTok. Brands and influencers host live streams or video sessions showcasing products in real-time, allowing viewers to ask questions and make purchases while watching. Live shopping creates a sense of urgency and interactivity, enhancing the shopping experience.

**Group Buying:** Group buying, also known as social commerce or community commerce, has seen a rise on social media platforms. It involves a group of consumers coming together to make a collective purchase, often at a discounted price. Social media groups or communities facilitate these group buying activities, leveraging the power of social connections and collective bargaining.

**User-Generated Content:** User-generated content plays a crucial role in social media shopping. Customers share their experiences, reviews, and photos of products they have purchased, creating social proof and influencing others' buying decisions. Brands often feature user-generated content on their social media accounts to build trust and engage with their audience.

**Augmented Reality (AR) and Virtual Try-On:** Some social media platforms have integrated AR and virtual try-on features, allowing users to virtually try on products like clothing, accessories, or makeup. This trend enhances the online shopping experience by enabling customers to visualize how products would look on them before making a purchase.

It's important to note that the landscape of social media platforms and consumer behavior is constantly evolving. Recent developments, new features, and emerging trends may have emerged since my knowledge cutoff. Stay updated by following industry news, reports, and studies to gain the most current insights into buying goods from social media platforms.

### 1.3 Perceived Risk

Perceived risk in social commerce refers to the potential concerns and uncertainties that consumers associate with making purchases or engaging in transactions on social media platforms. These perceived risks can vary from individual to individual and may impact their willingness to participate in social commerce. Here are some common perceived risks associated with social commerce:

**Credibility and Trustworthiness:** Consumers may question the credibility and trustworthiness of sellers on social media platforms. Since anyone can create an account and sell products, there is a risk of encountering fraudulent or untrustworthy sellers. Concerns may arise regarding the quality of products, delivery reliability, and customer service.

**Product Quality and Authenticity:** Due to the limited ability to physically inspect products before purchase, consumers may worry about receiving low-quality or counterfeit items. The lack of direct interaction and reliance on online descriptions and images can create uncertainty about the actual quality and authenticity of the products being sold.

**Privacy and Security:** Privacy and security concerns are prevalent in social commerce. Users may worry about the safety of their personal and financial information when sharing it on social media platforms. The potential risk of data breaches, identity theft, or unauthorized access to sensitive information can deter consumers from engaging in social commerce.

**Transactional Risks:** Consumers may be concerned about the security and reliability of payment transactions on social media platforms. They may question the safety of their financial transactions and the protection of their payment details. The lack of established payment infrastructure on social media platforms can raise doubts and uncertainties about the transaction process.

**Lack of Customer Support:** Social media platforms are primarily designed for social interactions rather than commercial activities. As a result, the availability of customer support for social commerce transactions may be limited. This can make it challenging to seek assistance or resolve issues related to purchases, returns, refunds, or disputes.

**Social Influence and Social Engineering:** Social media platforms can be susceptible to social influence and social engineering tactics. Consumers may be influenced by fake reviews, manipulated ratings, or deceptive marketing practices. There is also a risk of falling victim to scams or phishing attempts, where fraudsters exploit social media interactions to deceive users and extract personal or financial information.

Addressing these perceived risks is crucial for fostering trust and encouraging consumer participation in social commerce. Implementing measures such as seller verification processes, secure payment gateways, transparent product descriptions, and responsive customer support can help mitigate these perceived risks and build confidence among consumers.

### 1.4 Factors Affecting S- Commerce

Several variables may have an impact on the adoption of social commerce, which is the combination of e-commerce with social media platforms. Following are some significant elements that may influence the adoption of social commerce:

**User Trust:** Adoption of social commerce depends heavily on user trust. Users must have faith in the security of their private information, the integrity of their financial transactions, and the honesty of the merchants and items they purchase on social networking platforms. User trust may be influenced by elements including safe payment channels, ratings and reviews from customers, and open disclosure of vendor information.

**User Experience:** A key element is the general user experience on social media sites. Adoption may be impacted by elements like user-friendly navigation, an intuitive user interface, personalised suggestions, and a seamless connection of the shopping experience with social media. Users are more likely to participate in social commerce when using a nice and convenient user experience.

**Social Influence:** Social connections and influence are the lifeblood of social media platforms. Friends, relatives, and other influencers' opinions, suggestions, and endorsements may have a big impact on consumers' purchasing decisions. Positive user-generated content, social proof, and word-of-mouth may increase trust and promote the usage of social commerce.

**Mobile Connectivity:** The rise of smartphones and mobile internet has helped social commerce flourish. Mobile devices provide consumers easy access to social networking websites and let them buy while they're on the go. Adoption may be positively impacted by the availability of mobile-optimized interfaces, responsive design, and frictionless mobile payment methods.

**Product Discoverability:** Adoption depends on how simple it is to find and investigate items on social media channels. Product visibility and accessibility may be improved by features like targeted advertising, individualised suggestions, product tagging, and shoppable posts, which can encourage adoption.

**Social Media Integration:** The degree to which social media platforms are connected with social commerce might influence adoption. Platforms that provide built-in shopping features, seamless integration of product information, and simplified checkout processes tend to facilitate adoption by reducing friction and streamlining the purchase journey.

**Seller trustworthiness:** Adoption depends heavily on a seller's trustworthiness and reputation on social media sites. Users are more inclined to participate in social commerce if they believe that the vendors are dependable, responsive, and trustworthy. Credibility factors for sellers include verified seller badges, customer reviews, ratings, and open lines of contact.

**Rewards and Discounts:** Users may be encouraged to use social commerce by receiving rewards, discounts, and special offers. Limited-time offers, loyalty rewards, referral incentives, and special discounts available only on social networking sites might persuade consumers to make purchases.

**Privacy and Data Security:** Social commerce adoption may be hampered by worries about privacy and data security. If users believe their data is not protected or their privacy is violated, they may be reluctant to use social media platforms to commerce or submit personal information. These worries may be addressed by implementing robust data security safeguards, open privacy rules, and unambiguous consent methods.

**Cultural and Demographic variables:** Social commerce adoption may be influenced by cultural norms, preferences, and demographic variables. The adoption patterns within certain groups can be influenced by elements including online buying behaviour, digital literacy, cultural attitudes towards social media, and generational variations.

**Reviews and Ratings:** User-generated evaluations and ratings can have a significant impact on purchasing decisions on social media. Negative reviews might discourage potential customers, but positive reviews, high ratings, and thorough feedback can increase confidence and credibility for items and sellers. Purchase decisions may be influenced by the availability and visibility of reviews and ratings on social media sites.

It's crucial to remember that the relative relevance of these characteristics might change depending on the circumstance and the user group. To maximise the adoption of social commerce, platforms and organisations must comprehend their target audience and adjust their strategy accordingly.

### 1.5 Gen Z :

Generation Z, born between the mid-1990s and early 2010s, is a demographic group that has been significantly influenced by technology, social media, and globalization. They are digital natives, skilled users of social media platforms, and their dependence on technology influences their tastes, consumption habits, and behaviors. They are also social media-driven, expressing themselves and sharing information through these platforms. Gen Z values authenticity and individuality, preferring businesses that display openness and honesty in their marketing efforts. They value companies that value inclusion, diversity, and social responsibility. They are purpose-driven, supporting businesses that share their values, such as social justice, sustainability, and ethical business practices.

Gen Z is also receptive to visual and interactive content, particularly interesting encounters, memes, videos, and photos. Influencer culture, such as YouTubers, Instagrammers, and TikTokers, plays a significant role in connecting with Gen Z. They often turn to influencers for trends, product advice, and lifestyle inspiration, respecting their thoughts and suggestions and has a short attention span due to growing up in the fast-paced digital era, favoring information that can quickly capture their attention. They have an entrepreneurial mindset, valuing autonomy, adaptability, and the chance to make a significant professional impact. They are also multicultural and diverse, prioritizing representation, inclusivity, and diversity.

Financial acuity is another factor affecting Gen Z. They are more value-oriented and money-conscious, attracted by brands that provide competitive prices, affordability, and clear pricing strategies. To effectively interact with Gen Z, businesses and marketers must have a thorough understanding of their unique traits and interests. Incorporating Gen Z's beliefs, digital habits, and content preferences into marketing tactics can result in strong brand ties and customer loyalty.

### Review of Literature:

1. Abdelsalam H. Busalim, Ab Razak Che Hussin (2016) conducted a systematic review of s-commerce research aims to investigate the term by gathering, analysing, and synthesising s-commerce-related articles published between 2010 and 2015. The findings demonstrate an upsurge in s-commerce-related research over the last six years. It is noticed that the recent studies addressed a wide range of s-commerce-related study topics, including user behaviour, business models, the design of s-commerce websites, adoption strategies, social process network analysis, and firm performance. Since user behaviour and website design are the main foci of most of these studies and other topics have received minimal attention, this analysis suggests areas for further research.
2. Sanghyun Kim, Hyunsun Park (2013) identifies the key factors in s-commerce [reputation, size, information quality, transaction safety, communication, economic feasibility, and word-of-mouth (WOM) referrals], that is, the aspects of s-commerce that affect Korean customers' faith. The study also evaluates the impact of trust on trust performance (buying and word-of-mouth intention). According to the findings of an empirical investigation based on a sample of 371 s-commerce users, all s-commerce qualities (apart from economic viability) had a substantial impact on trust, and trust in turn had a significant impact on purchase and word-of-mouth (WOM) intentions. The findings have significant ramifications for s-commerce businesses hoping to create a lucrative business plan for offering reliable services to their clients.
3. Constanza Bianchi, Lynda Andrews, Melanie Wiese & Syed Fazal-E-Hasan (2017) creates and tests a model of consumers' intentions to engage in s-commerce through brand Facebook pages that takes into account personal factors (involvement in brands' products and services, satisfaction with brands' Facebook page), trust factors (message credibility of Facebook posts,

trust in firms' Facebook), and social variables (peer communication, social media dependency, online social interaction propensity) to predict intentions to purchase products and services. According to the results, message credibility, trust in a brand's Facebook page, involvement, peer communication, and a propensity for online social interaction are the main factors that influence consumer satisfaction with a brand's Facebook page and social media dependency, which in turn influences consumer intentions to engage in s-commerce.

4. Samah Abdelsalam; Naomie Salim; Rose Alinda Alias; Omayma Husain(2020) categorised and identified elements that affect consumers' online IBB in S-commerce using an input-moderator-mediator-output model. The authors employed a two-stage review process (automatic and manual) and found 68 papers that addressed online IBB, of which 24 studies were specifically concerned with IBB in S-commerce. According to the findings of the systematic review, experiment approaches (17%) and survey-based research (83%) predominated in online IBB in S-commerce. This study identified the characteristics that affect online impulsive buying in e-commerce and created a causal-chain framework for it. Finally, the authors offered suggestions for more study in this area.
5. Muhammad Ashoer , Syahnur Said (2016) attempted to examine seven aspects of the intention to buy risk perception in s-commerce. A total of 175 SNS users took part in the poll, which was conducted via an online electronic questionnaire. The end product offers crucial management risk-reduction tactics for adjusting in the dynamic internet company environment. This study examines the aspects of perceived risk influencing Indonesian s-commerce customers' purchase intentions in the areas of financial, time, social, product, delivery, payment and privacy, and after-sale hazards. The results of the outer model analysis (measurement model) show that every validity and reliability value construction satisfies the evaluation requirements.
6. Hajli, Mahmood (2012) proposed and tested the Social Commerce Adoption Model (SCAM) to examine trust together with certain other social commerce factors that influence people's purchase intentions. In this study, survey data are collected, and the data are then analysed using structural equation modelling (SEM). The findings indicate that trust has an impact on s-commerce. Trust has a significant impact on customers' purchase intentions. At the conclusion, restrictions and ramifications are explored.

#### RESEARCH METHODOLOGY:

This study uses both qualitative and quantitative research methods. A qualitative study surveys S-commerce users to understand their attitudes and behaviors toward s-commerce. In a quantitative study, a survey of a representative sample of 205 online consumers is conducted to determine the factors affecting consumer perception in s-commerce adoption and to understand the perceived risk among Gen z regarding social commerce.

#### OBJECTIVE OF THE STUDY :

- To study the recent emerging trend of Social commerce.
- To determine the factors affecting consumer perception in s-commerce adoption.
- To understand the perceived risk among Gen z regarding social commerce.

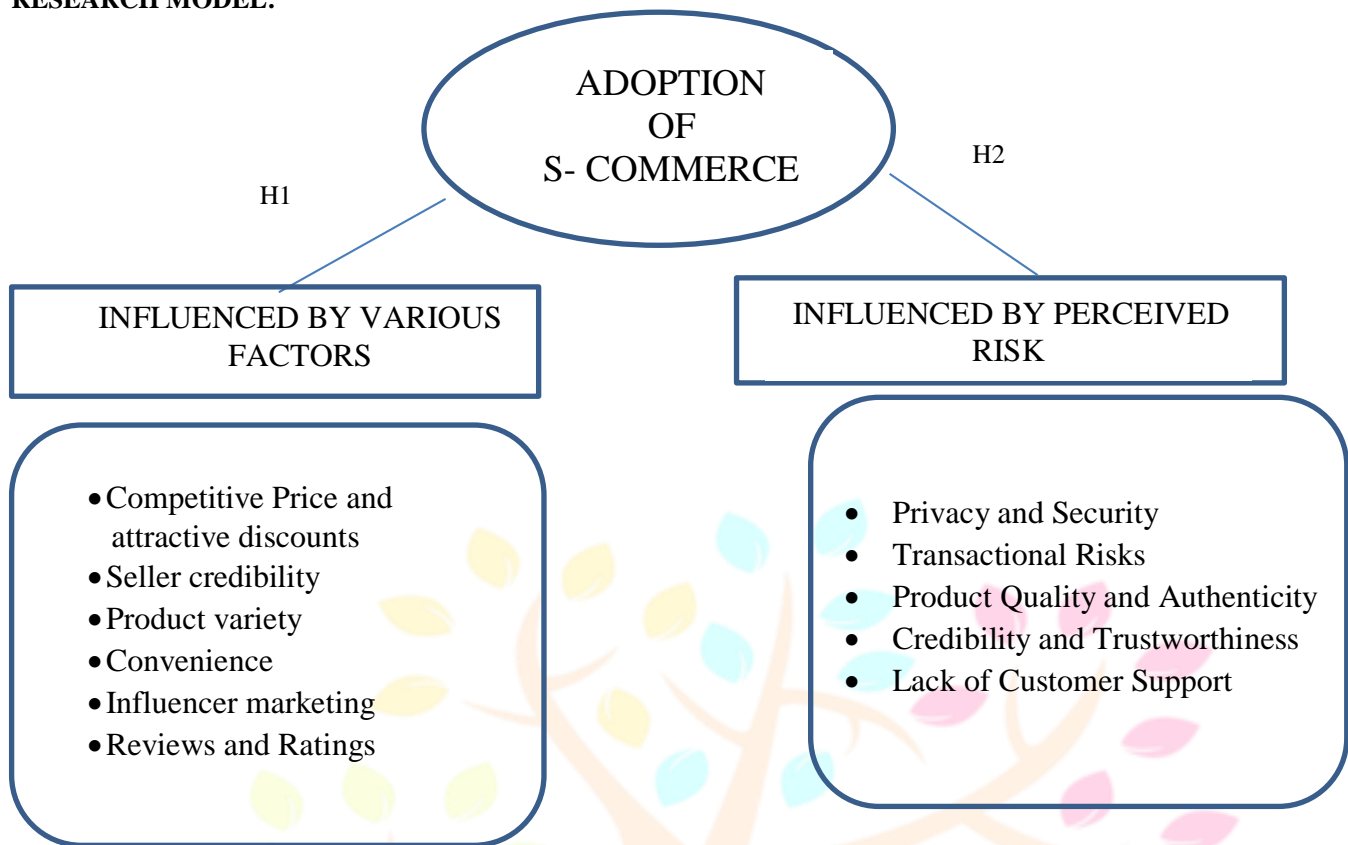
#### HYPOTHESIS :

H0(1) : There is no significant relation between factors affecting and adoption of S-commerce by Gen Z.

H0(2) : Perceived risk in social commerce has no association with consumers perception of making purchases or engaging in transactions on social media platforms.



**RESEARCH MODEL:**



**HYPOTHESIS:**

H0(1) : There is no significant relation between factors affecting and adoption of S commerce by Gen Z.

Factors Influencing S- Commerce	No. of respondents		Fo-Fe	(Fo -Fe) <sup>2</sup>	(Fo-Fe) <sup>2</sup> /Fe
	Observed Frequency(Fo)	Expected Frequency(Fe)			
Competitive Price and attractive discounts	27	13.66	13.34	177.9556	13.0274
Seller Credibility	2	13.66	-11.66	135.9556	9.9528
Product variety	27	13.66	13.34	177.9556	13.0274
Convenience	5	13.66	-8.66	74.9956	5.4901
Ratings and Review	12	13.66	-1.66	2.7556	0.2017
Influencer Marketing	9	13.66	-4.66	21.7156	1.5897
<b>TOTAL</b>	<b>82</b>				<b>43.2891</b>

Degree of freedom = n-1 = 6-1=5

Significance level = 0.05

Chi- Square tabular value = 11.070

Chi square calculated value = 43.2891

Chi-square calculated value > chi- square tabular value

Therefore, we reject Null hypothesis and accept alternate hypothesis

Conclusion : There is significant relation between factors affecting and adoption of S commerce by Gen Z.

H0 (2): : Perceived risk in social commerce has no association with consumers perception of making purchases or engaging in transactions on social media platforms.

Perceived Risk	Observed Frequency(Fo)	Expected Frequency(Fe)	Fo-Fe	(Fo -Fe) <sup>2</sup>	(Fo-Fe) <sup>2</sup> /Fe
Privacy and Security	25	24.6	0.4	0.16	0.0065
Transactional Risks	25	24.6	0.4	0.16	0.0065
Product Quality and Authenticity	54	24.6	29.4	864.36	35.1365
Credibility and Trustworthiness	13	24.6	-11.6	134.56	5.4699
Lack of Customer Support	6	24.6	-18.6	345.96	14.0634

	123	123			54.6828
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Degree of freedom =  $n-1 = 5-1 = 4$

Significance level = 0.05

Chi- Square tabular value = 9.488

Chi square calculated value = 54.6828

Chi-square calculated value > chi- square critical value

Therefore, we reject Null hypothesis and accept alternate hypothesis

Conclusion : There is significant relation between Perceived risk in social and consumers perception of making purchases or engaging in transactions on social media platforms.

### Findings and Suggestions

The purpose of this study is to conduct a systematic literature review on customer engagement in s-commerce. The growth of s-commerce usage shows the influence on the engaging customers in this new phenomenon, while research on this issue is scattered and limited, we derive insights through an extensive review of theories, model and factors that influence customer engagement in s-commerce. Gen Z demonstrates a strong affinity for social media platforms, such as Instagram, Facebook and whatsapp, using them extensively for product discovery, inspiration, and recommendations and relies heavily on user-generated content, reviews, and recommendations from peers and influencers when making purchase decisions. Authenticity and personalization are crucial factors influencing their trust and engagement with social commerce.

Businesses should develop robust social media strategies to effectively reach and engage Gen Z. This includes creating compelling content, collaborating with influencers, and leveraging user-generated content to build trust and authenticity. Brands should focus on providing personalized experiences in social commerce. This can be achieved through targeted recommendations, customized product offerings, and personalized communication with consumers. By incorporating these suggestions based on the research findings, businesses can effectively capitalize on the trend of social commerce among Gen Z and establish a strong presence in this market segment.

The rise of social commerce has disrupted traditional retail models. Traditional retailers need to adapt by integrating social media elements into their online platforms and collaborating with influencers to effectively engage Gen Z. Another significant finding was the impact of social commerce on brand-consumer relationships. Gen Z perceives social commerce as a two-way communication channel, allowing them to engage with brands directly, provide feedback, and even co-create products. Brands that actively listen and respond to Gen Z's preferences and concerns are more likely to foster loyalty and advocacy among this generation.

This study also review the dimensions of perceived risk affecting s-commerce customer's purchase intention in India. Some suggestions are given to mitigate the risks in order to smoothen the functioning of s-commerce .Here are some measures you may do to reduce these dangers while making purchases on social media platforms:

1. Research Sellers: By looking at the ratings, reviews, and feedback left by prior customers, you can confirm the legitimacy of merchants. Look for seasoned sellers or those that have received good reviews.
2. Read Product Descriptions and Reviews: Make sure the product matches your expectations by carefully reading product descriptions and reviews. Before making a purchase, look for sincere client testimonials and take into account their experiences.
3. Safe Payment Techniques: Utilise safe payment options that provide buyer protection and dispute resolution processes, such as credit cards or reliable payment gateways. Don't provide merchants your private financial information directly.
4. Protect Personal Information: Be cautious about sharing unnecessary personal information and review the privacy settings of your social media accounts. Consider adjusting your privacy settings to limit the visibility of your personal data.
- 5 Create Robust Passwords: For your social media accounts, make sure you use strong, one-time passwords to prevent unauthorised access.

### Conclusion:

In conclusion, the research study on the trend of social commerce among Gen Z has shed light on several key findings. Gen Z, the generation born between the mid-1990s and early 2010s, has displayed a significant inclination towards social commerce, which refers to the integration of social media platforms with e-commerce functionalities.

Firstly, it was found that Gen Z heavily relies on social media platforms such as Instagram, Facebook and whatsapp as sources of inspiration, product discovery, and recommendations. These platforms provide a seamless experience for Gen Z to explore and purchase products directly from their favorite influencers or brands, leading to increased engagement and conversion rates.

Secondly, the study revealed that Gen Z values authenticity, personalization, and social interaction when engaging in social commerce. They seek genuine connections with brands and influencers, and are more likely to trust and make purchase decisions based on user-generated content, reviews, and recommendations from their peers.

Furthermore, the research indicated that convenience and accessibility are crucial factors for Gen Z when participating in social commerce. Features like one-click purchasing, personalized product recommendations, and easy payment options are highly valued by this demographic, as they prioritize seamless and frictionless shopping experiences.

Lastly, the study identified the rising influence of social commerce on traditional retail models. Gen Z's preference for social commerce has prompted traditional retailers to adapt by integrating social media elements into their online platforms and exploring collaborations with influencers to reach and engage this demographic effectively.

Overall, the research study highlights that social commerce has become a prominent trend among Gen Z, with the convergence of social media and e-commerce playing a significant role in shaping their purchasing behaviors. As this generation continues to mature and wield increasing purchasing power, businesses must understand and adapt to the preferences and expectations of Gen Z in order to thrive in the evolving landscape of social commerce.

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