

## The Evolution of Social Commerce in India: A Descriptive Analysis of Key Trends and Drivers

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### Abstract

Social commerce in India is rapidly reshaping digital retail by integrating social interactions with online transactions. This study examines the key drivers social, technological, and system-level, that influence adoption and identifies the predominant models of social commerce in the Indian context. Drivers are analyzed through established theoretical perspectives to provide a robust foundation for understanding user behavior and to inform the development of future research models for academicians. The study highlights major models such as pure social commerce, influencer led social commerce, group buying, deal sharing, and conversational commerce, reflecting India's community-driven and digitally connected consumption patterns. Findings offer actionable insights for businesses, platform designers, and policymakers seeking to leverage social commerce, while also contributing to the academic discourse on the theoretical underpinnings of social commerce adoption.

**Keywords:** Social Commerce in India, Key Determinants and Models, Pure Social Commerce, Hybrid Social Commerce, Group Buying, Conversational Commerce, Research Framework.

### Introduction

Over the past decade, India has undergone a rapid digital transformation, driven by widespread internet penetration, affordable smartphones, and government-backed initiatives promoting digital inclusion. This transformation has significantly reshaped the way Indians communicate, consume, and transact online.

In the early 2010s, India's digital commerce landscape was dominated by traditional e-commerce platforms such as Flipkart and Amazon. However, the mid-to-late 2010s witnessed the emergence of **social commerce**, a model of online commerce where buying and selling activities are integrated into social media platforms and community-driven ecosystems. The market for social commerce in India is projected to expand from an estimated **US\$7.20 billion in 2024 to US\$25.69 billion by 2029**, representing a compound annual growth rate (CAGR) of **28.9%** (Research and Markets, 2024). Other industry reports suggest even greater potential, forecasting a market size of **US\$70 billion by 2030**, which would make social commerce nearly twice the size of India's current e-commerce market (Bain & Company, 2022).

A critical component of this study is the **conceptual and definitional clarity** of social commerce within the Indian context. Globally, social commerce is often defined as the process by which the entire

consumer journey from product discovery to payment, is conducted within a single social media platform's ecosystem. By contrast, the Indian model operates as a **hybrid system**. Sellers frequently leverage social networks such as Instagram and WhatsApp for marketing, lead generation, and trust-building through direct, conversational engagement. However, the final transaction is often completed outside the platform, either through external checkout systems or informal, chat-based negotiations.

This hybrid model is not merely a technological constraint but a strategic adaptation to India's consumer culture, where trust, personal recommendations, and negotiation heavily influence purchase decisions (Sammi & Vij, 2022). While global studies provide insights into social commerce adoption (e.g., Asanprakit & Kraiwanit, 2023), research on the Indian context is limited. Existing industry reports (Bain & Company, 2022; Research and Markets, 2024) highlight growth trends but do not systematically analyze India's distinctive hybrid business model.

### Objective of the Study

- To identify the key drivers shaping the rise of social commerce in India and the supporting theories to them.
- To analyze India's hybrid social commerce models.

### Literature Review

The term *social commerce* is first introduced in 2005 on Yahoo! [Rubel, 2005]. Launched on November 11, 2005, Yahoo!'s Shoposphere is the earliest attempt to plunge into social commerce. Its "Pick Lists" feature allows users to comment on and review products lists. The user-generated content makes Shoposphere like a "blogosphere" [Rothberg, 2005]. Early forecasts of social commerce (2005) suggested that consumers would increasingly rely on **peer-generated content** over marketer-driven messages. Businesses were encouraged to shift from mass attention strategies (short-tail) to **niche-focused approaches (long-tail)**, enabling small businesses to profit from unique products. Technologically, social commerce was expected to grow through **Web 2.0 platforms** like blogs, where peer reviews and recommendations supported e-commerce (Wang & Zhang, 2012).

The growth of the internet in India, supported by low-cost data plans and the wide use of smartphones, has created a strong base for the rise of social commerce (Singh, 2022). By combining social media with direct shopping, this trend has changed traditional e-commerce and made retail more engaging and flexible (Asanprakit & Kraiwanit, 2023). The causal factors for adoption of social commerce may be categorised into social factors, [motivational factors](#), technological factors, platform characteristics, and economic factors. (Asanprakit & Kraiwanit, 2023).

- **Understanding online Consumer Behavior in India**

Early studies on online shopping in India focused on the factors that influence consumer behavior on traditional e-commerce platforms. Research by George and Joseph (2024) found that the digital marketing mix, particularly product, promotion, and personalization, significantly impacts how consumers behave online. Similarly, Garai and Sen (2022) conducted a case study on online shopping behavior in emerging cities of India, specifically in West Bengal. Their findings indicate that trust, convenience, and awareness are the primary drivers for online shopping in these regions, with social influence playing a minor role. Another study by Sharma and Jain (2018) on consumers in Bhopal highlights the impact of demographic factors, such as age and income, on digital buying habits. These foundational studies underscore the importance of digital marketing, convenience, and demographic context in shaping consumer behavior within the traditional e-commerce framework.

A critical aspect of online shopping behavior is the role of trust and risk perception, particularly in mobile commerce. Kapoor and Singh (2020) conducted an empirical study in India and found that privacy concerns and trust are strong influencers of shopping behavior on mobile applications. This finding is particularly relevant to the social commerce context, as it supports the argument that the emotional trust and security perceptions of consumers are crucial for adoption.

- **The Role of Social Media Influencers on Online Purchase Intentions**

The rise of social media has introduced a new dynamic to online purchasing. A bibliometric analysis by Nadroo and Naqshbandi (2023) identified that engagement, convenience, and content marketing are among the top emerging themes in online purchase intention research. This highlights a shift from basic e-commerce functionalities to more interactive and content-driven models.

Social media influencers, in particular, play a pivotal role in this new landscape. Bhuttani and Raj (2023) analyzed the influence of content creators on customer purchase intentions in the Delhi cosmetic sector. Their empirical study found that the authenticity and relatability of influencers significantly impact the buying decisions of consumers. This indicates that the human element and social connection fostered by influencers are powerful tools for shaping consumer behavior. Alam et al. (2022) also studied social commerce platforms from an Indian consumer perspective, focusing on the role of social media influencers.

- **The Transition from E-commerce to Social Commerce**

Several studies have explored the drivers behind the shift from traditional e-commerce to social commerce. Lal (2017) analyzed the determinants influencing an individual's intention to use a social commerce website. Similarly, Bhat and Singh (2018) studied the intention to participate on social commerce platforms, specifically on e-commerce websites. Rachmad (2022) examined the changes in consumer behavior from e-commerce to social commerce, noting that this transition is mediated by social media marketing.

The distinction between e-commerce and social commerce is further clarified by research from Li and Ku (2018), who posed the question of whether e-commerce would switch to social commerce. Nacar and Ozdemir (2022) also provided a global and local perspective on the evolution from commerce to e-commerce and social commerce. These studies collectively suggest that social commerce is not just a passing trend but a new paradigm that leverages social interaction and content to create a more engaging and personalized shopping experience, thus complementing, and in some cases, replacing the traditional e-commerce model.

- **Technology, infrastructure and Social Commerce**

Technology and payment systems have played a central role in enabling the rapid growth of social commerce in India. The availability of secure and user-friendly digital payment solutions, such as the Unified Payments Interface (UPI), mobile wallets, and app-based banking services, has reduced transaction friction and encouraged consumers to adopt online purchasing (Singh & Lakra, 2025; Sudheer, 2025). Studies highlight that fintech innovations and mobile payments not only transform the retail and banking landscape but also strengthen trust and convenience in digital transactions, which are essential for social commerce ecosystems (Ojha, 2024; Yawe, n.d.). Beyond payment systems, efficient logistics infrastructure is equally critical, as it ensures reliable order fulfillment and timely delivery, thereby boosting consumer trust in social commerce transactions (Gu, Noh, & Jang, 2013). From a broader perspective, the integration of these technological enablers complements social commerce adoption by lowering barriers to entry and supporting seamless consumer experiences (Vatanasakdakul et al., 2023; Sarker et al., 2020).

### **Research Methodology**

This study uses a descriptive secondary research approach to explore the rise of social commerce in India. It draws on peer-reviewed, industry reports, and government data (NPCI, TRAI, Digital India), along with supplementary sources on logistics and fintech. Data were analyzed through thematic synthesis, grouping insights into drivers, the hybrid Indian model, and challenges and opportunities, with cross-checking across sources to ensure reliability. This approach provides a comprehensive overview of social commerce in India and lays the foundation for future empirical studies.

### **Findings and Discussion**

The remarkable growth of social commerce in India is not a product of a single factor but a convergence of socio-economic, technological, and policy-driven forces. Following are the key drivers which are the most commonly explained in various earlier studies which have been synthesized below-

- **Social Drivers:** Social drivers play a pivotal role, particularly peer influence, social media engagement, and the growing impact of influencers (Bhuttani & Raj, 2023; Bhat & Singh, 2018). Consumers increasingly rely on recommendations from peers and influencers over traditional marketing, emphasizing trust and social proof (Garai & Sen, 2022; Lal, 2017). Social platforms facilitate product discovery, opinion sharing, and community participation, reinforcing social buying behavior (Li & Ku, 2018). Personalized promotions and interactive content further enhance engagement and motivation (George & Joseph, 2024). Trust, privacy, and risk

perceptions also critically influence participation in mobile and app-based shopping (Kapoor & Singh, 2020). These trends align with **Social Influence Theory (Kelman, 1958)** and **Source Credibility Theory (Hovland, Janis, & Kelley, 1953)**, which explain how credible endorsements and peer recommendations drive purchase intentions.

- **Technological Drivers:** Technological factors are critical enablers of social commerce in India, focusing on efficiency and user experience. The functional design of digital tools, such as mobile wallets and app-based banking, lowers transaction barriers by emphasizing ease of use and accessibility (Singh & Lakra, 2025; Sudheer, 2025; Yawe, n.d.). Furthermore, efficient logistics infrastructure ensures timely delivery and reliable order fulfillment, which is crucial for reinforcing consumer confidence in social commerce platforms (Gu, Noh, & Jang, 2013). From a theoretical perspective, these functional drivers are supported by the Technology Acceptance Model (TAM; Davis, 1989), which emphasizes perceived usefulness and ease of use, and the Unified Theory of Acceptance and Use of Technology (UTAUT; Venkatesh et al., 2003), which highlights performance expectancy, effort expectancy, and facilitating conditions as key determinants of adoption. Collectively, these technological factors provide the essential, user-facing infrastructure for the rapid expansion of social commerce in India.
- **System Drivers:** Refer to the core design and inherent psychological mechanisms embedded within social commerce platforms that fundamentally govern user behavior. These systems operate by integrating social interactions directly into the commercial process, aligning with the recognized dimensions of social commerce evolution across people, information, and technology (Wang & Zhang, 2012). A primary function of the system is to foster **social support**—both informational (e.g., reviews, product advice) and emotional—among users, which is a crucial element that mediates the relationship between platform features and consumer **trust** (Sharma et al., 2022; Sarker et al., 2020). By enabling peer-to-peer communication and community formation, the system leverages well-established psychological principles of influence and attitude change, where peer identification and group opinion are instrumental in driving purchase intentions and subsequent behavioral changes (Kelman, 1958; Hovland, Janis, & Kelley, 1953). This structural emphasis on social integration significantly enhances customer satisfaction and the intention to participate, differentiating the system from conventional e-commerce models (Attar, Shanmugam, & Hajli, 2021; Bhat & Singh, 2018; Lal, 2017).

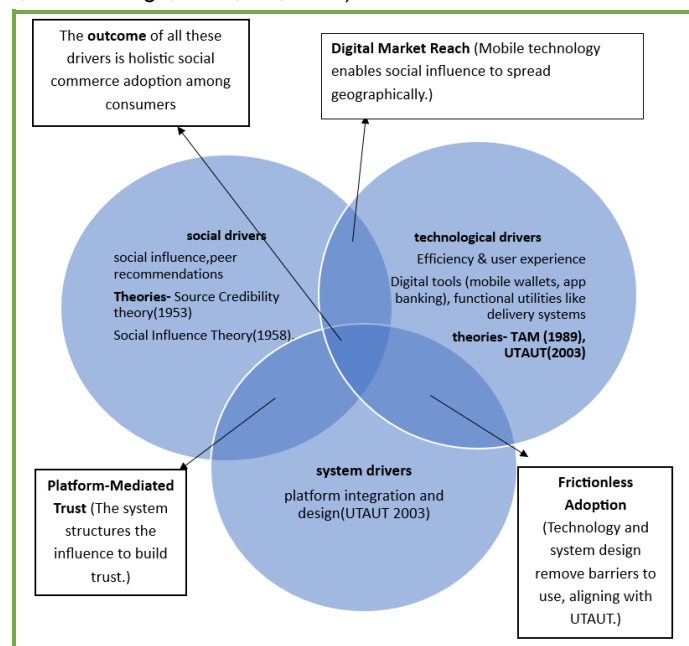


Figure 1: Author's compilation

## An Overview of Social Commerce Models in India

India's social commerce model stands out from global counterparts due to its unique blend of social interaction, community-based trust, and affordability-driven behavior, shaped by the country's diverse socio-economic landscape (Bain & Company, 2022; Research and Markets, 2024). Unlike Western markets where social commerce is often influencer-led and focused on branded content (Alam, Tao, Lahuerta-Otero, & Feifei, 2022; Bhuttani & Raj, 2023), India's model is community- and reseller-driven, relying heavily on peer recommendations and group buying through platforms like Meesho, GlowRoad, and DealShare (Sammi & Vij, 2022; Sharma, Singh, Bala, & Rehman, 2022). These platforms empower micro-entrepreneurs—especially women and small-town sellers—to act as intermediaries, promoting products within their social circles via WhatsApp, Facebook, or local networks (Nasabi & Sujaya, 2023; Garai & Sen, 2022). The different models of social commerce operating in India can be summarised below-

- **Social Media Integrated Social Commerce:** This form of social commerce allows users to discover and buy products directly within social media apps like Instagram, Facebook, TikTok, and YouTube, using features such as shoppable posts, live streams with checkout, and in-app payments. While popular worldwide, its adoption in India is still emerging due to infrastructure and trust challenges (Digital Showroom, 2025; India Social Commerce Intelligence Report, 2025). For example facebook market place, Instagram shops etc.
- **Community driven or ResellerBased Social Commerce-** A **peer-to-peer model** where individuals or micro-entrepreneurs act as resellers or influencers, promoting and selling products within their social networks (WhatsApp groups, Facebook groups, etc.). Platforms like Meesho empower individual resellers to sell products within their social networks (Ginesys, 2025; Digital Showroom, 2025).
- **Content-Driven / Influencer-Led Social Commerce-** Influencers create engaging, authentic content endorsing products, often linking to purchases. While in-app checkout is limited, this hybrid model leverages social influence to drive traffic to e-commerce sites, fueling social commerce growth in India (ManthanGajjar, 2025; Grin, 2024).
- **Group Buying and Deal-Sharing Social Commerce:** Users form groups to access discounts or share deals via social networks or apps, promoting community-driven and price-sensitive purchasing. Platforms like **DealShare**, **Meesho**, and **SimSim** illustrate this model..
- **Conversational or Chat-Based Commerce:** Transactions occur through **messaging apps or chatbots**, enabling personalized, informal, and scalable shopping experiences. **WhatsApp Business Shops** and **Telegram Commerce** exemplify India's growing conversational commerce trend.

## Conclusion

This study examined the evolution of social commerce in India by identifying its key drivers and emerging models. The findings suggest that the sector's rapid expansion is the result of an intersection between social, technological, and system-oriented factors. Social drivers such as peer influence, trust, and influencer credibility have transformed purchasing behavior, emphasizing the social nature of online consumption. Technological enablers including mobile accessibility, secure payment systems, and efficient logistics, have further enhanced convenience and adoption. System-level mechanisms, which integrate social interaction into platform design, foster emotional and informational support, deepening consumer engagement.

Together, these elements have shaped distinct social commerce models such as group buying, deal sharing, and conversational commerce, reflecting India's digitally connected yet community-driven consumer culture.

The study contributes to a clearer understanding of how social and technological ecosystems interact to redefine e-commerce in India. Future research may explore platform-specific user behavior, the rural–urban adoption gap, and the long-term sustainability of social commerce-driven entrepreneurship.

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