The Rise Of Social Commerce: A Study Of Consumer Buying Behavior Among The Youth In Hyderabad

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Abstract: This study explores factors influencing social commerce (s-commerce) adoption among young consumers in Hyderabad, India, examining how social media platforms shape purchasing decisions.

A mixed-methods design was employed with data collected through structured online questionnaires from 200 young consumers (aged 18-30). Quantitative data were analyzed using descriptive statistics and chi-square tests; qualitative data underwent thematic analysis.

Results indicate significant s-commerce adoption, with Instagram (65%) and WhatsApp (25%) as dominant platforms. Key drivers include peer validation (72%), curated discovery (68%), and direct seller interaction (61%). Major barriers are product quality concerns (78%) and payment security (65%). Chi-square analysis revealed significant associations between gender and platform preference ($\chi^2 = 12.76$, $p < 0.01$).

Findings provide actionable insights for businesses to develop effective s-commerce strategies emphasizing trust-building mechanisms and secure payment integration.

Index Terms - Social Commerce, Consumer Behavior, Youth, Hyderabad, Instagram, Trust, Purchase Intention.

1. Introduction

India's commercial landscape is transforming rapidly due to smartphone proliferation and affordable internet. Hyderabad, a major IT hub with significant youth population, is at the forefront of this digital revolution. "Social Commerce" (s-commerce) has emerged, blurring lines between social networking and online shopping by using social media platforms to facilitate buying and selling (Zhou et al., 2013).

For Hyderabad's youth, discovering products through influencer posts, engaging with brands via Direct Messages, and purchasing within apps is increasingly common. While e-commerce giants like Amazon dominate, s-commerce offers more personalized, community-driven experiences. Despite growing prevalence, localized studies examining s-commerce drivers and barriers among Hyderabadi youth are lacking.

Research Questions:
- RQ1: What are the primary social media platforms used for s-commerce by youth in Hyderabad?
- RQ2: What factors motivate them to engage in social commerce?
- RQ3: What are perceived risks and barriers inhibiting purchases?
- RQ4: Are there significant associations between demographics and s-commerce behavior?

2. Literature Review and Theoretical Framework

Social commerce is "the delivery of e-commerce activities via social media environments" (Wang & Zhang, 2012, p. 5), leveraging users' social graphs to foster trust and aid purchase decisions. This study draws upon three theoretical frameworks:

Technology Acceptance Model (TAM) (Davis, 1989): Perceived usefulness and ease of use determine technology adoption. In s-commerce, convenience of in-app shopping represents usefulness.

Theory of Planned Behavior (TPB) (Ajzen, 1991): Behavioral intentions are influenced by attitudes, subjective norms, and perceived control. Subjective norms manifest through peer and influencer influence.

Trust-Risk Framework (Gefen et al., 2003): Trust is fundamental for online transactions, especially when perceived risk is high. In s-commerce with unverified sellers, trust-building becomes critical.

Previous research identifies key s-commerce adoption factors: social influence from peers and influencers (Hajli, 2015), trust in sellers and platforms (Kim & Park, 2013), convenience and discovery (Zhang et al., 2014), and perceived risks regarding quality and security (Hajli et al., 2017). However, most studies focus on Western or Chinese contexts. India's market, with diverse digital literacy, preference for cash-on-delivery, and strong peer influence requires dedicated investigation.

3. Research Methodology

Research Design: Mixed-methods descriptive design combining quantitative and qualitative approaches.

Sample: Non-probability convenience sample of 200 respondents (aged 18-30) from Hyderabad. Sample characteristics: 52% Female, 48% Male; 45% Undergraduate, 35% Graduate, 20% Young professionals.

Data Collection: Structured online questionnaire distributed via university networks and social media (March-April 2024), consisting of: (A) Demographics, (B) S-commerce behavior (closed-ended), (C) Motivations and barriers (open-ended). Informed consent was obtained; institutional ethics approval secured.

Data Analysis: Quantitative data analyzed using SPSS with descriptive statistics and chi-square tests ($p < 0.05$). Qualitative responses analyzed using thematic analysis (Braun & Clarke, 2006).

Limitations: Convenience sampling limits generalizability; self-reporting bias possible; cross-sectional design cannot establish causality.

4. Findings and Analysis

4.1 Platform Usage Patterns

Primary Platforms:

- Instagram: 65% (dominant for fashion, accessories, lifestyle, food)

- WhatsApp: 25% (customized products, direct transactions)

- Facebook: 8%; Others: 2%

Chi-square analysis revealed significant platform-product category association ($\chi^2 = 45.32$, df = 9, $p < 0.001$). Instagram dominated fashion/lifestyle purchases while WhatsApp was preferred for customized products and local services.

Frequency: 28% engaged daily; 42% several times weekly; average monthly spending ₹2,500-5,000.

4.2 Motivational Factors (Qualitative Themes)

Theme 1: Peer Validation and Social Proof (72% of respondents) Respondents emphasized "real reviews from real people" and "influencer recommendations I trust." Social context through visible engagement (likes, comments) enhanced credibility.

"When my friend tags themselves wearing it, I trust it more than Amazon reviews"

Theme 2: Seamless Discovery (68%) Appreciated "discovering unique products not on major platforms" within entertainment feeds.

"I find amazing small businesses on Instagram that don't exist on Flipkart"

Theme 3: Direct Seller Interaction (61%) Ability to communicate directly enabled clarifications, customization, and personal connection.

"I can message the seller for color options or modifications"

Theme 4: Supporting Local Businesses (54%) Motivation to support local entrepreneurs and startups.

4.3 Perceived Barriers (Qualitative Themes)

Theme 1: Quality Assurance Anxiety (78%) Primary concern: "not receiving product as shown in pictures." Inability to physically inspect created significant hesitation. **Quantitative**: 78% rated quality uncertainty as major concern (Mean = 4.1/5).

Theme 2: Payment Security Concerns (65%) Fear of fraud with advance payments to individual sellers lacking standardized protection. **Quantitative**: 65% rated payment security as major concern (Mean = 3.8/5).

Theme 3: Opaque Return Policies (59%) Uncertainty about return/exchange processes deterred purchases.

"Most sellers don't clearly state return policies"

Theme 4: Information Overload (32%) Difficulty distinguishing genuine recommendations from paid promotions.

4.4 Demographic Associations

Gender and Platform: Significant association ($\chi^2 = 12.76$, $p < 0.01$). Females preferred Instagram more strongly (72% vs 58% males); males used WhatsApp more (30% vs 20%).

Education and Risk Perception: Significant association ($\chi^2 = 18.94$, $p < 0.01$). Graduates expressed higher payment security concerns; professionals more aware of privacy issues.

Income and Spending: Significant positive correlation ($r = 0.54$, $p < 0.001$).

5. Discussion

Findings confirm strong s-commerce entrenchment in Hyderabad youth's consumer habits. Instagram's dominance reflects the visual nature of primary product categories (fashion, lifestyle) and Hyderabad's thriving influencer ecosystem. WhatsApp's significant presence (25%) reflects its ubiquity in India for direct communication and relationship-based selling.

Peer validation prominence validates social influence theory (Hajli, 2015), amplified by India's collectivist culture where group opinions carry substantial weight (Sharma & Crossler, 2014). Respondents distinguished between personal network endorsements (highest trust), micro-influencer recommendations (valued for authenticity), and macro-influencer endorsements (viewed skeptically)—suggesting relatability matters more than reach.

The significant trust deficit constrains growth potential. Unlike established e-commerce platforms offering standardized quality checks, secure payments, and clear return policies, s-commerce lacks institutional safeguards. Solutions include: verified seller badges, escrow payment systems releasing funds after delivery, standardized return policy templates, enhanced review authenticity mechanisms, and video-based product showcases.

Hyderabad's unique characteristics—tech-savvy youth, vibrant startup ecosystem, distinct fashion culture, and community orientation—shape these findings. The city's entrepreneurial culture manifests in numerous Instagram-based small businesses, while retained community bonds make peer recommendations particularly influential.

6. Conclusions and Implications

Social commerce is mainstream for Hyderabad youth, driven by social validation, discovery, and direct engagement, but constrained by quality, security, and return policy concerns.

Theoretical Contributions: Validates global s-commerce theories in Indian context while highlighting cultural nuances; demonstrates platform-specific functions; reveals multi-dimensional trust nature; shows how collectivist values amplify social influence.

Practical Implications:

For SMEs: Prioritize transparent communication, authentic testimonials, clear return policies, trusted payment gateways (UPI, Razorpay), and user-generated content. Collaborate with relatable micro-influencers rather than expensive macro-influencers.

For Platform Developers: Implement verified seller badges, native secure payments with buyer protection, structured review systems, and return/exchange workflows.

For Policymakers: Develop s-commerce guidelines for consumer protection, promote digital literacy, establish dispute resolution mechanisms, support small business digitalization.

Future Research: Employ larger randomized samples for generalizability; conduct sector-specific studies (fashion, food); perform comparative studies across Indian cities; investigate seller perspectives; examine specific influencer types' impact; explore sustainability and ethical consumption in s-commerce.

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Appendix A: Research Questionnaire (Key Sections)

Section A: Demographics

1. Age: _____ years

2. Gender: □ Male □ Female □ Other

3. Status: □ Undergraduate □ Graduate □ Professional

4. Monthly income/allowance: □ <₹20,000 □ ₹20,000-40,000 □ >₹40,000

Section B: S-Commerce Behavior 5. Primary platforms for product discovery? □ Instagram □ WhatsApp □ Facebook □ Other 6. Purchase frequency: □ Daily □ Several times/week □ Weekly □ Monthly 7. Product types purchased: □ Fashion □ Accessories □ Food □ Electronics □ Other 8. Monthly spending: □ <₹1,000 □ ₹1,000-2,500 □ ₹2,500-5,000 □ >₹5,000 9. Rate concerns (1=Low, 5=High):

- Product quality mismatch: 1 2 3 4 5

- Payment security: 1 2 3 4 5

- Return/exchange: 1 2 3 4 5

Section C: Open-Ended 10. What motivates your social media purchases? 11. What concerns prevent you from purchasing? 12. Suggested improvements for s-commerce?

Appendix B: Statistical Analysis Tables

Table 1: Platform Usage by Gender

Platform	Male (%)	Female (%)	Total (%)	χ^2 Value
Instagram	58.3	71.2	65.0	12.76**
WhatsApp	29.2	20.2	25.0	
Facebook	10.4	5.8	8.0	
Others	2.1	2.8	2.0	

**p < .01

Table 2: Perceived Barriers by Education Level

Barrier	Undergrad	Graduate	Professional	Mean
Quality Uncertainty	3.9	4.2	4.3	4.1
Payment Security	3.5	4.0	4.2	3.8
Return Policy	3.7	3.9	4.0	3.9

Scale: 1=Not concerned, 5=Extremely concerned