

SOCIAL MEDIA AND E-COMMERCE IN POST-COVID ERA: EXPLORING A NEW PARADIGM FOR BUSINESS SURVIVAL IN AFRICA

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Abstract

It is a truism that humanity is steeped into the new normal; no thanks to the COVID-19 Pandemic, which was not only a global phenomenon but a devastating one as that, with humongous implications across every field of human endeavour. As nations and nationalities grapple with the effects of the Pandemic, new economic and business models have evolved; one such is the interface of e-commerce with social media. Anchored on the Technology Acceptance Model (Davis, 1989), the study design is conceptual with the aims of exploring social media in the light of e-commerce for a developing economy and proposing a new business model as a means of survival in an unpredictable environment. The study therefore recommends constant and real-time engagement of customers and potential customers through social media as many online buyers more often than not, reach purchase decisions after consulting friends online and reading recommendations, reviews and comments of others on a particular product or service. Furthermore, due to the unpredictability of the COVID-19 pandemic and its concomitant resurgent waves, e-commerce should be the model of choice for business survival in Nigeria, the African continent and the world at large.

Keywords: Social media, E-commerce, Social networking, COVID-19 Pandemic, Business Survival

1.0 Introduction

Recently, social media platforms and tools have brought untold changes to organizations, institutions, and businesses across the globe. These changes cut across organizational communication, public relations, advertising and marketing. Not long ago, the economies of countries around the world were badly hit by the coronavirus (COVID-19 Pandemic). The devastating effects persist with resurgence in terms of first, second, third waves and so forth as there seems to be no end in sight. As nations and nationalities grapple with the effects of the pandemic, new economic and business models are being advanced and advocated.

Social media platforms such as Facebook, Twitter, Instagram, WhatsApp, TikTok, and the like became very engaging, especially during the lockdown across states and national boundaries. As a result of social media elasticity and ubiquity, right after the lockdown and the first wave of the COVID-19 pandemic, individuals, groups, institutions and governments have adopted this new normal as much work and business relationships, interactions, and engagements migrated online and have stayed online. This is in line with Dunu, et al. (2015) postulation that the emergence of new media technologies has revolutionized several countries' economies. E-commerce platforms such as Jumia, Konga, Ajebo-market, Jiji, Alibaba, Selar.co etc. have suddenly become the romance of Nigerians, especially youths.

Ridinger (2021) reports that due to the COVID-19 pandemic in 2020, well above 50% of consumers patronized e-commerce platforms to purchase everyday products including groceries with online grocery sales growing to 54% and almost hitting the \$100 million mark. Linardos (2020) posits that the coronavirus outbreak is bringing new customers to e-commerce. It also presents a great opportunity for business owners to launch new products and services. On the negative aspect, he also notes that the COVID-19 pandemic has created a fast-changing and unpredictable commercial environment that has disrupted businesses and their leadership. He therefore advocates for a digital connection between business owners and their customers who he described as having entered a survival mode.

It is no longer news that the COVID-19 pandemic brought untold changes to the economies of nations and the business world. Several changes have occurred affecting consumer behaviour and business practices. According to Ridinger (2021), the role of e-commerce has grown immensely.

The coronavirus continues to wield unprecedented influence over commercial activities and online consumer behaviour across the globe. During the lockdown of 2020, with millions of people at home, digital channels became the major alternative to in-person shopping and crowded stores (Coppola, 2021).

Globally, social media continues to determine and transform how we connect and interface with others, share information and organize our private and business transactions. The way goods and services are bought and sold have experienced great transformation, hence the concept of E-commerce. According to Johnson (2021), global retail e-commerce sales surpassed \$3.5 billion in 2019, with several online transactions carried out via mobile devices.

E-commerce has become part and parcel of the world retail market in the last couple of years. Apart from businesses, consumers have also benefitted and continue to profit from the inherent perks available in e-commerce. In 2020, goods and services were purchased online by more than two billion individuals with global sales beyond \$4.2 trillion (Coppola, 2021).

E-commerce encompasses the online buying and selling of goods, with the primary types being business-to-business (B2B) and business-to-consumer (B2C) transactions. B2B is when companies sell to other companies, while B2C involves retailers selling directly to individual customers. Recently, consumer-to-consumer (C2C) platforms like eBay, Etsy, and Taobao have become popular. Global e-commerce is increasingly focused on mobile platforms. Many retailers now sell through mobile shopping apps and social media in addition to desktop and mobile websites (Statistica.com, 2024; Tankoyska, 2021; UNCTAD, 2021).

Consumer-to-consumer (C2C) and consumer-to-business (C2B) interactions have significantly amplified their influence in the marketplace, driving increased sales. This is achieved through various channels, including social networks, blogs, social media platforms, and promotional tools designed to engage and connect with consumers effectively (Mangold, 2009). According to UNCTAD (2021), in future, 2020 will be seen as the year that brought about a global change in everything as e-commerce grew to an unprecedented level as a result of the COVID-19 crisis. Consumers and businesses went digital with the dawn of the new normal resulting in an increase of 17% in 2020 from the 14% in 2019 of e-commerce share of retail trade globally. E-commerce via social media is what Obiedat, et al. (2013) describe as social media marketing which is fast becoming a great tool in the selling of goods and services on the internet.

1.1 Statement of the problem

The COVID-19 Pandemic affected the global economy with utmost severity. Businesses have undergone severe turbulence with several already gone under, while others are struggling to stay afloat; only a negligible number seem to be basking in the euphoria of high customer patronage. Meanwhile, the virtual community continues to grow with several individuals turning to social media platforms for several reasons including seeking information before reaching a buying decision as well as buying goods and services via e-commerce (online stores and malls). Things are no longer the same as business models have changed and continue to change much as buying decisions and means of engagement and patronage have experienced a paradigm shift.

Are these changes just a fad that would fade in a matter of years or decades? Have these changes come to stay? What are the implications of the whole imbroglio? Where does a nation like Nigeria and the African continent in general stand in the whole equation? With the young population spending most of their time in cyberspace, especially on social media platforms, what does this portend in the world of business? This study therefore explores a new paradigm for business survival in a developing economy in an era of business unpredictability occasioned by pandemics.

1.2 Objectives of the study

There are two major objectives for this study, namely:

1. To explore social media in the light of e-commerce for a developing economy
2. To propose a new business model as a means of survival in an unpredictable environment.

1.3 Methodology

Designed as a conceptual study, the authors explored the world of e-commerce through secondary materials, coupled with personal observations at the marketplace especially as it relates to social media use for business because of the impact of the COVID-19 Pandemic and the challenges it posed to commercial activities globally.

2.0 Literature Review

2.1 Exploring Social Media

Social media are internet-based interactive platforms that enable individuals to create and exchange information participatorily in real time. This networking feature is not only unique but advantageous to e-commerce; hence, Kelly in Abubakar (2017) notes that effective networking is an essential factor of success from the business perspective.

Social media is no longer a recent phenomenon, although its usage has been steeped in networking and socializing. Nonetheless, in the recent past, social media has become part of the mainstream culture in the world of business. In the words of Okoye and Ugwuanyi (2016, p. 24), “Social media is not something really new”. There is a preponderance of users of social media in Nigeria and across the world who depend on the networks for authentic information and social stability (Nwanne, 2015). This high level of usage has made social media a daily companion of most Nigerians, especially young people. Ndolo et al. (2015) could not agree less hence, “The advent of social media and social networks has altered the patterns of communication in our society. It has defined, not only the speed, but the frequency of communication” (Ndolo et al., 2015).

Abubakar (2017) posits that since many people are using one or other forms of social media tool, organizations are now increasingly adopting social media to create business value. Business organizations use various social media tools to achieve a whole range of purposes which is generally based on the desire to enjoy the myriad of benefits associated with the internet in general and social media in particular. The social media are the global public squares of the contemporary era (Odi, 2013).

2.1.1 Characteristics of the social media

- ❖ Social media are “ubiquitous.”
- ❖ Millions of individuals get connected to social media daily.
- ❖ There is dynamism in the process of information dissemination.
- ❖ The public communication process is dynamic.
- ❖ Contents of social media are user-generated (UGC).
- ❖ Communication is interactive and highly participatory.
- ❖ There exists the concept of prosumer (the social media user is both a content creator and consumer at the same time).

2.2 Statistics on social media use, e-commerce and effects

Among the different social media platforms, Facebook is the most popular worldwide. In 2021, it had no less than 2.6 million active users on a monthly basis (Tankovska, 2021). However, recent statistics indicate that as of 2023, Facebook has over 2.9 billion monthly active users (MAUs). The four most popular platforms: Facebook, WhatsApp, Facebook Messenger and Instagram are owned by Meta Platforms Inc.

Amazon.com is the most popular online retail website worldwide in terms of traffic. Retail E-commerce sales worldwide stand at \$4.28 trillion. Global internet usage is 51.4%. The number of internet users worldwide is 3.97 billion with China having the highest internet users which stands at 854 million. Globally, those within the age range of 25—34 years are the highest internet users. Statistics also indicate that in Africa, Nigeria ranked first in the number of internet users as of December 2020 followed by Egypt, Kenya and South Africa (Statista.com, 2024).

Friedman (2018) in *Social Media Today* reports that between 2011 and 2016, social commerce generated more than \$78 billion. This figure is not static. This has shown that e-commerce via social media is very significant in online shopping. There are buy buttons on Pinterest and YouTube, and shoppable Instagram feeds, all these are e-commerce.

Furthermore, In the year 2021, on a monthly basis, 1.21 billion active users were on the Instagram platform representing over 28% of all internet users globally. By 2025, this number is expected to grow to 1.44 billion, representing 31.2% of global internet users. Nonetheless, the first social network to garner over 1 billion registered accounts was Facebook. It now has more than three billion monthly active users. Meta Platforms, which owns Facebook, also owns three other major platforms with over one billion monthly users each: WhatsApp, Facebook Messenger, and Instagram. In the third quarter of 2023, Facebook alone reported around four billion active users (Statistica.com, 2024).

Asia has nearly three billion social media users, the largest audience of any continent. In 2023, Eastern Asia alone accounted for over 1.2 billion users. China had more than one billion social media users in 2023, with projections suggesting this will reach 1.3 billion by 2029. However, India is expected to overtake China soon as the country with the largest social media audience (Statistica.com, 2024).

2.3 Implications of e-commerce interface with social media

There are more options and opportunities for customers now than ever before whenever they need to make any purchase decision. This is because of the plethora of retailers and manufacturers who not only have online stores but also have a social media presence with active engagement. This has contributed in no small way to the booming of the e-commerce industry.

Online visibility is usually enhanced through search engine optimization (SEO) and pay-per-click (PPC) thereby resulting in the reach of more customers. E-commerce interface with social media also presents an effective way of improving brand awareness and driving huge traffic to business sites.

Online groups allow consumers to express their feelings through comments, likings, and sharing their endorsements by rating others' assessments and trusting members' classification (Obiedat, Harfoushi & Nawafleh, 2013). Social media users can choose from varied platforms to browse, compare prices, features and benefits and purchase goods and services they need. Some e-commerce sites specifically target business-to-business (B2B) while consumers are equally presented with a vast array of digital possibilities. There is an incredible increase in the usage of mobile phones for e-commerce as smartphones account for more than 60 per cent of global retail website visits (Coppola, 2021).

2.3 Empirical Review

In a survey by Uche et al. (2021) on social media and e-commerce in post covid-19 Africa, which was sampled via online questionnaire 200 Nigerian youths of Kwara State, North Central Nigeria studying at the Department of Mass Communications at the Federal Polytechnics Offa in June 2021; findings indicate that out of the total respondents, 82.3% admitted that they had purchased items online 59.2% made their first online purchase during the 2020 Covid-19 lockdown. On the social media platforms that business owners use more often in Nigeria, 43.3% pointed to WhatsApp, 27% declared Facebook, 19.9% answered Instagram and 8.5% Twitter. The majority of the respondents, 90.8% indicated that the impact of social media on the Nigerian business environment is positive with 91.4% of the respondents agreeing that e-commerce has a profitable and positive future in Nigeria. 92.2% of the respondents also advocated for a combination business model for Nigerian business owners, that is, both online and offline.

In a study by UNCTAD (2020), aimed at investigating the impact of COVID-19 on e-commerce businesses from early March to the end of July 2020 across 23 countries, mainly LDCs, in Africa and Asia-Pacific; findings indicate that the pandemic has led to greater adoption of social media and growth in sales through e-commerce websites. There has been a shift in consumption habits driven mainly by the need for sourcing essential items. There is also an increase in the adoption of e-payments. About 60% of e-commerce companies and 70% of online third-party marketplaces are experiencing relatively higher growth rates in mobile money payments. This is followed closely by transactions through e-banking and credit cards (UNCTAD, 2020).

Leaning on the CMO Survey of market leaders in the United States, Moorman et al (2023) present diverse statistics: on channel expansion, several companies (61%) increased the number of their marketing channels across business-to-business (B2B) and business-to-customers (B2C). This has widened the patronage curve as consumers have the opportunity to select their preferred means of interfacing with companies. On the use of social media, it was found that many companies especially B2C rely on it to sell their products and services. Real estate firms, media companies, wholesalers and retailers are patronising social media platforms for commercial purposes with the latter being taking the lead (70%). Facebook, Instagram and Snapchat were found to have achieved the highest e-commerce sales during the first year of the COVID-19 pandemic (Moorman et al (2023)).

The launch of in-app checkout on Instagram in 2020 opened the channel door to reach over 1.2 billion users who scrolled their social feeds. More than half of United States adults purchased a product or service through a social media channel in 2022 (Insider Intelligence.com; Statistica.com, 2024).

Moorman et al (2023) aver that brands are now moving to direct-to-customer (D2C) channels in 2023. The reason is that it gives companies the opportunity to get firsthand information about customers' online behavioural patterns.

2.4 Theoretical Framework

This work is anchored on the Technology acceptance model (TAM) which was propounded by Davis (1989). Umrani and Ghadially (2008) describe technology acceptance as the approval, favourable and ongoing use of newly introduced devices and systems. For any technology to be adopted, there are two key variables that must be addressed; the issue of perceived ease of use and perceived usefulness. Perceived usefulness refers to the potential consumer's or customer's notion that using a particular system, device or platform, in this case, social media would bring about mutual satisfaction between an e-commerce company and customers both existing and potential customers. The use of TAM is also justified by the fact that it has been applied in different forms to explain technology adoption in a wide variety of contexts.

First, if a technology does not exist, it cannot be deployed no matter how useful and innovative. We are talking about social media and e-commerce in Nigeria because of the existence of internet infrastructure in terms of broadband, ISPs, mobile telephony and self-efficacy which is the ability to make use of the existing internet and mobile facilities by the citizens especially the netizens who are variously described as digital natives. Even digital immigrants are now acquiring internet skills and also becoming internet savvy. This model is in tandem with this study.

2.5 ESMB Model

Several wholesalers and retailers, manufacturers and service companies now use social media to market their online stores. There is now a new business model occasioned by an e-commerce interface with social media as hereunder specified. This model we would like to describe as an e-commerce social media business model (ESMB-Model).

It is graphically presented below:

ESMB-MODEL

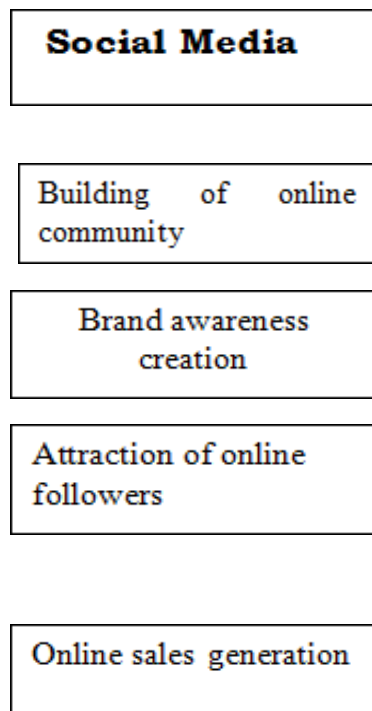


Figure 1: E-commerce Social Media Business Model (ESMB-Model).

This model depicts the centrality of social media. Through social media platforms, entrepreneurs and business owners including models and celebrities are creating more awareness of their brands. Through this awareness, sales are also activated and generated via the same social media platform. The online environment keeps expanding, thus, many followers are also generated. Apart from the social media platform community, entrepreneurs and corporate enterprises now create their own online communities that are highly engaging and enduring with several packages and offerings.

The effects of this model are summarily presented below:

- ❖ Brand awareness creation
- ❖ Online sales generation
- ❖ Attraction of online followers
- ❖ Building of online community

2.6 Top Benefits of E-commerce-Social Media Interface

The benefits directly accruable from this interface include:

1. Online reach expansion: businesses and individuals can market on social media platforms such as Twitter, Facebook, Instagram, LinkedIn, WhatsApp, Snapchat etc.
2. Engagement of target audience unobtrusively: being a socializing and networking platform, it presents a less formal way of branding and communicating with existing and potential customers with feedback mechanisms (there are sections for comments, chats, emails etc.).
3. Targeted reach of audience where most of their time is spent.
4. The inclusion of search engine optimization (SEO) and employing pay-per-click (PPC) campaigns ensure that those searching for certain products and brands can be reached on their favourite social media platforms.
5. Opportunity to have your brand shared online. It offers your customers the opportunity to share your brand with others especially close friends and relations including virtual friends.

2.7 Challenges and threats to E-commerce Social media interface

There are several challenges and threats that confront this innovative way of doing business in post-COVID-19 Africa. According to the United Nations Conference on Trade and Development, there is the issue of the digital divide. Less developed countries and developing economies of which Nigeria is one, are confronted with the following:

- ❖ Lack of adequate digital infrastructure.
- ❖ Disproportionate professional and talent distribution.
- ❖ Limited financial access and funding.
- ❖ Connectivity and logistics problems.
- ❖ Less capacity for micro, small and medium enterprises (MSMEs) to grow competitively in a global market.
- ❖ Distrust in multilateralism.

However, it is not all tales of woes; there are opportunities for future growth if certain steps are taken, including:

- Young global population
- Opportunity for future technology
- Need to anticipate adverse effects of disruptive technology (cyber security, personal data protection, job loss, etc.).
- Need to upgrade and upskill the current workforce to future demand.
- Need to build a resilient economy to mitigate the effects of the COVID-19 Pandemic.
- Opportunity for digital acceleration and technology adoption (UNCTAD, 2020).

2.8 Seven ways of boosting e-commerce via social media platforms

1. Constantly post quality videos and photos of your products and services.
2. Target the most popular networks and platforms that your audience patronizes more often.
3. Ensure timely responses to enquiries and comments.
4. Seek customer reviews of your products and or services.
5. Promote posts on Facebook for engagement: likes, views, conversations and recommendations.
6. Promote affiliate marketing of your products and or services.
7. Partner with social media mavens and influencers.

2.9 Summary/Conclusion

The effects of the pandemic are multifarious. These days, there is an expansion of business and marketing channels: social media, face-to-face (F2F), business-to-business (B2B), business-to-customers (B2C) and direct-to-customers (D2C) including gamification. All these are aimed at sustainability irrespective of happenstance in the present times and the future.

Moorman et al (2023) posit that the pandemic changed how companies especially marketers respond to customers. There is a change in their approach to channel strategy. Marketers have become dynamic in the way they engage and sell to their customers. There are more channels now than ever. Customers are now in a hurry to reach a buying decision. Several outlets are beckoning them with mouthwatering offers. Therefore, with limited attention and customer time, companies must adopt new strategies and remain fluid to new options as the world of commerce continues to evolve in a highly unpredictable global space.

Brick-and-mortar businesses suffered untold hardship during the pandemic with an uncertain future still staring the business world in the face. This necessitates a paradigm shift in business thereby ushering in the online and social media marketing model. This innovative way of commerce has become the new normal with its concomitant implications and challenges.

Huge traffic can be generated by ensuring social media presence by e-commerce entrepreneurs. A high e-commerce interface with multiple e-media platforms (social media networks) has a ripple effect which yields multiple gains. It is a business model without borders. It does not discriminate based on age, gender, race, educational qualifications or status. Once there is the ability to interface with the new media, transactions can take place. The cost of a brick-and-mortar business model occasioned by high transportation costs due to bad roads, insecurity, banditry, kidnapping, ritual killings, unrest, communal clashes; energy costs etc. has made e-commerce an inevitable option for business success. Therefore, no matter the negative aspects of social media, businesses can tap into its huge patronage and ubiquity by selling and advertising their goods and services via social media networks.

2.10 Recommendations

Based on the reviewed literature, the researchers make the following recommendations:

- ❖ E-commerce via social media should be adopted by more Nigerian business owners in order to boost their bottom line.
- ❖ E-commerce should deliberately target young people since they are more at home with social media as digital natives and netizens.
- ❖ There should be constant and real-time engagement of customers and potential customers through social media as many online buyers more often than not, reach purchase decisions after consulting friends online and reading recommendations, reviews and comments of others on a particular product or service.
- ❖ Due to the unpredictability of the COVID-19 pandemic and its concomitant resurgent waves, e-commerce should be the model of choice for business survival in Nigeria, the African continent and the world at large.

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