#### (УДК:339) ИНТЕРНЕТ-ТОРГОВЛЯ В СОЦИАЛЬНЫХ СЕТЯХ В РОССИИ

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Резюме: Интернет-торговля в современном мире — это довольно значимая сфера торговли, активно развивающаяся в России, охватывающая новые территории сети Интернет в стремлении расширить число вовлеченных в торговлю участников. С развитием информационных технологий популярность социальных сетей в России неуклонно возрастает. Большое количество людей использует социальные сети в качестве средства коммуникации почти так же часто, как и сам Интернет. Однако в последние годы наблюдается явная тенденция внедрения и взаимодействия элементов интернет-торговли в социальных сетях. Именно этот вопрос будет рассмотрен в представленной статье. В целях обозначения преимуществ и недостатков интернет-торговли в социальных сетях, мнения общественности о торговле подобного типа и выявления эффекта, который можно ожидать в будущем от использования социальных сетей в качестве платформ для интернет-торговли, авторами были проведены социологическое и аналитическое исследования. В качестве аналитической базы была взята статистическая информация о таких социальных сетях, как VK (Вконтакте), Instagram и Facebook. Каждая из социальных сетей была рассмотрена в аспектах взаимодействия друг с другом трех различных категорий участников интернетторговли.

Ключевые слова: интернет-торговля, социальные сети, VK, Instagram, Facebook.

# E-COMMERCE IN SOCIAL NETWORKS IN RUSSIA: DATA OVERVIEW AND SURVEY ANALYSIS

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#### **Abstract**

E-commerce nowadays is a huge area of commerce, which is currently continuing to grow in Russia.

With the development of information technology, the popularity of social networks is also constantly increasing. It means there are many people who use social networks as a way of communication almost as often as they use the Internet. Moreover, in the last couple of years we can clearly see the trend of integration and interaction of elements of e-commerce in social networks. This is the main issue reviewed in the article. Sociological and analytical research has been conducted in order to find out what are the advantages and disadvantages of e-

commerce in social networks, as well as what people think about it and what effect we can expect from using social networks for e-commerce in the future. Statistical information on social networks such as VK, Instagram and Facebook represents an analytical base for the research.

Keywords: e-commerce, social networks, VK, Instagram, Facebook.

#### 1. Introduction

## 1.1 E-commerce and social networks

Nowadays e-commerce is a modern and convenient way to trade any kind of products using the Internet technologies. It is considered a future of commerce all over the world. What is the situation with e-commerce in Russia?

The Internet technologies have been developing in Russia at a high rate for the last 10 years. As a result, the percentage of Internet users has amounted to about 80% [1]. Speaking about the Internet, we can't avoid such concept as "social networks". Social networks (SN) literally replace offline communication between Internet users. The social networks effect on people is getting bigger and bigger. Thus, the idea of combining social networks and e-commerce seems interesting and prospective for the Russian business sphere.

## 1.2 The state of e-commerce in Russia

E-commerce is a transaction of buying or selling online, which typically uses the World Wide Web and many other technologies such as e-mail [2]. There are three areas of e-commerce: online retailing, electronic markets and online auctions. Talking about e-commerce in Russia, almost 80% of Russian adults use the Internet with 61% using the Internet every day. According to the 2017 data, the value of Russian e-commerce market accounted for 800 bln rubles due to the 195 million orders and 50 million online consumers [3].

## 1.3 Most popular social networks in Russia

Social network is an online platform which people use to build social networks or social relations with other people who share the same interests, activities etc. [2]. The most popular social networks in Russia are VK – VKontakte (https://vk.com/) and Odnoklassniki (https://ok.ru). These networks were originally developed in Russia, which can be a reason for their popularity in this country.

As for the whole world, there are three most popular social networks which were originally developed in the USA: Facebook, Instagram and Twitter. These social networks are quite popular in Russia too.

# 1.4 Characteristics of e-commerce in SN

There are three important characteristics of conducting e-commerce in SN.

The product for SN should be available for postal delivery. It can belong to such groups as clothes, footwear, sports nutrition etc. The target market for e-commerce in SN is young people

from 16 to 30 years old. This type of commerce uses the following ways of payment: electronic cash, money transfer, postal money order or cash on delivery [6].

#### 2. Literature review

The role of social media for developing e-commerce has become a subject of a scientific interest. The positive effect of social networks on e-commerce is described in the works [4], [5], [6]. One of the sources of statistics providing the data on e-commerce in Russia is the report offered by East-West Digital News. The key market trend it identifies is that "most major offline retailers and manufacturers keep developing online and mobile sales channels and the related infrastructure." [2].

The "Ecommerce foundation report" provides statistics on e-commerce in more than 50 countries including Russia. The report contains some information about international merchants, which can help service providers and entrepreneurs to be successful in a fast-changing market [3].

Sedykh I. A. characterises e-commerce as one of the most dynamically developing technological markets in the world and relates this fast growth to the development of a broad-band access to the Internet (both fixed and mobile). The author predicts that e-commerce in Russia will grow at the rate of 20% per year and might amount to 2 trillion rubles in 2020 [1].

#### 3. Methods and materials

## 3.1 Objectives of the study

The main objective of the study is to reveal the potential for conducting e-commerce through social networks in Russia. There are several issues which will be considered in the study:

- the popularity of e-commerce in Russia;
- the advantages and disadvantages of conducting e-commerce through social networks:
- the opportunities for conducting e-commerce in the most popular social networks in Russia.

## 3.2 Method of research

Two methods of collecting data have been applied in this study: a sociological research and an analytical research. The sociological research was conducted in the form of a survey. 134 respondents aged 15-29 were surveyed. The analytical research is based on the information about the opportunities for e-commerce provided by the most popular social networks in Russia.

#### 3.3 Sociological research

The aim of the sociological research was to identify the popularity of using social networks for e-commerce in Russia. The following questions were included in the survey:

- What is your age?
- Do you use social networks? How often?

- Have you bought or sold anything in social networks?
- Are you satisfied with buying or selling in social networks?
- Do you pay attention to advertising in social networks?
- What are the reasons why you don't buy or sell anything in social networks?

#### 4. Results and discussion

4.1 The results of the survey

The results of the survey were impressive. 134 respondents were surveyed with 48.5% being at the age of 15-19, 47% - at the age of 20-24, and 4.5% - at the age of 25-29. 100% of respondents use social networks every day. It leads us to the conclusion about a high popularity of social networks with young audience.

52.6% of the respondents haven't bought or sold anything using SN, but 5.6% are going to try one day and 41.8% often or periodically use social networks for e-commerce. 77% of the respondents who were involved in e-commerce through social networks are satisfied with it, the rest 23% are not (see Pic. 1).

Some of the respondents refuse to try e-commerce in SN because they've got nothing to buy or sell, they don't trust social networks or they prefer commerce in brick-and-mortar stores. As for advertising about 72.4% of respondents pay attention to it in SN.

The percentage of respondents

\*Haven't bought or sold anything via social networks

\*Use social networks for ecommerce

II Are going to try ecommerce via social networks

Pic.1: Use of SN for e-commerce

## 4.2 Advantages and disadvantages of e-commerce in social networks

The respondents emphasise such advantages of e-commerce in social networks as an opportunity to see products reviews, simplicity of searching for a necessary product and a fast interaction with sellers or consumers. On the other hand, there are some disadvantages as well. Among them are a lack of opportunity to check the quality of a product, a long delivery and difficulties with looking for consumers.

## 4.3 Analytical research

Three large-scale social networks were picked up for the analytical research: VK, Instagram and Facebook. These social networks were considered in terms of opportunities provided for e-commerce. The analysis of each SN is represented through the categories based on the nature of the participant: B2C (Business-to-Consumer), C2C (Consumer-to-Consumer) and A2B (Administration-to-Business).

The most popular network in Russia is **VK**. In VK you can easily create a commercial community also known as a page to do e-commerce. This service is available for every user of the SN for free. As a special service VK also provides contextual and target advertising, which you can buy as a service from the administration of VK.

The next SN is **Instagram** – an internet-based photo-sharing application and service that allows users to share pictures and videos. Instagram was bought by the Facebook Company in 2012 but it still has its own brand and the top management conducts the policy of maintaining an independent development of the SN. Instagram is also a very suitable platform for e-commerce. Companies of any size can be recognised by a business profile; they get insights about followers and posts, and promote posts to drive business objectives. The social network also provides such forms of advertising as ad videos, stories service, automatic targeting and sponsor advertising.

The third SN, which is currently the most popular social network in the world, is **Facebook**. This SN gives users an opportunity to create a business page with the assistance of Pages Manager service. Similar to Instagram, you can use the same Ads Manager service for creating photo, video, carousel and a slideshow or a collection advertisement.

## 4.4 The results of the analytical research

The interaction B2C is a process of selling consumer goods and services. E-commerce in SN provides many opportunities for retailing (see Table 1). Every SN gives consumers an opportunity to get business feedback through messages, comments or discussion sections on a business page. The Stories service in Instagram deserves a special attention. Not long ago the SN provided an option of voting for its Stories service. Now, as an owner of a business profile, you can make a

Story (a video or photo, which shortly appears on the screen for 15 seconds) with a voting in it. Business pages or profiles in the SN also contain all necessary business information for consumers.

**Table 1: B2C interaction** 

	B2C
VK	business feedback: personal and group messages,
	comments, discussions
	available business information
Instagram	business feedback: direct messages, comments, Stories
	service (voting)
	available business information
Facebook	business feedback: personal messages, comments,
	discussions
	available business information

As for the interaction of consumer-to-consumer, which is when one person who doesn't have a business page wants to sell anything using SN, all the SN provide the opportunity for free communication and free promotion on your own platform (see Table 2). It means that you can promote any legal products or services on your personal page for free and communicate with consumers through personal messages.

In VK you can buy cheap promotion on other platforms, for example in another business community, which you don't own. The range of the price for this service is within 50-250 rubles.

**Table 2: C2C interaction** 

	C2C
VK	free communication
	free promotion on your own platform
	• cheap promotion on other platforms (50-250 rubles)
Instagram	free communication through your own profiles

	free promotion on your own profile
Facebook	<ul> <li>free communication</li> <li>free promotion on your own platform</li> </ul>

The last type of interaction, A2B, describes all kind of interactions between Administration of SN and business communities (see Table 3). The A2B interaction is characterised by a wide choice of advertisements which a business community can buy from the administration. It can be any type of contextual or target advertising.

There are also numerous services which help business owners to conduct e-commerce through SN, e.g., "Products" service in VK, Ads Manager in Instagram and Facebook. There is an opportunity for business owners to get statistical marketing information while using it. Facebook provides a chance of promotion in some other social networks collaborating with Facebook.

**Table 3: A2B interaction** 

	A2B
VK	contextual and target advertising (min. 500 rubles)
	<ul> <li>creating a business page for free</li> </ul>
	"Products" service
Instagram	different types of target advertising (age, place,
	interests)
	<ul> <li>statistical marketing information for free</li> </ul>
	Ads Manager
Facebook	• promotional SN (Instagram, Messenger, Audience
	Network, Workplace)
	Ads Manager (Ads reporting), Ads Insights API

## 5. Conclusion

The conclusion to this research consists of three statements.

- 1. Most of the people surveyed tried e-commerce through SN and they are satisfied with the results of trading. That means social networks can efficiently perform functions of an e-commerce intermediary.
- 2. E-commerce in SN has a huge potential in Russia. The development of the Internet technologies for the last decades has given an incredible boost to the economy and resulted in e-commerce becoming more popular, available and easy to understand for the young generation of Russian citizens.
- 3. The popularity of social networks among young audience is huge, which is proved by the fact that almost 100% of young audience uses them every day as is evident from this study.

Thus, commerce in Russia is rising on a new level, the one of websites, social networks, mobile apps and many other Internet platforms. We can definitely say that the future of business is literally in your hands.

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