

NETWORKS AS A CATALYST FOR SOCIAL CAPITAL FORMATION IN E-COMMERCE

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Abstract. Social networks play a crucial role in modern e-commerce, not only facilitating sales but also fostering social capital, which serves as the foundation for building long-term mutually beneficial relationships between businesses and consumers. The subject of the research is the mechanisms of using social networks to form social capital within e-commerce.

The purpose of the study is to analyze the role of social networks in strengthening the social capital of Industry 5.0 enterprises operating in the e-commerce sector and to propose practical recommendations for its effective formation.

The research employed methods of scientific literature analysis, statistical data examination, and case studies, as well as a systematic approach to studying the interconnections between social capital and e-commerce. Special emphasis was placed on analysis and synthesis methods, which allowed for the evaluation of the effectiveness of social platforms for online trading. The graphical method was used to visualize the research results in the form of charts, diagrams, and tables.

It is argued that social networks provide new opportunities for interactive engagement with consumers, building trust and loyalty as key elements

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of social capital. Integrated features such as embedded stores, payment systems, and user behavior analytics tools enable businesses to attract new audiences and retain existing customers. A comparative table of functional elements in digital, sharing, and social economies has been presented. Based on the data obtained, a scheme of social capital potential within these Industry 5.0 ecosystems has been developed.

The key principles of social responsibility in e-commerce have been identified, which is not only an ethical imperative but also a critical factor in sustainable business development. Impulses for introducing innovations in e-commerce, considering human needs and ensuring social resilience of communities, have been outlined. The growth of mobile commerce (m-commerce) enhances the significance of social platforms as shopping venues, supported by statistical data on the annual increase in revenues in this segment, including the share of social commerce. The dynamics of global e-commerce, s-commerce, and m-commerce revenues, as well as data on e-commerce in Ukraine, have been analyzed. Conclusions have been drawn on ways to meet consumers' economic needs through digital commerce. Recommendations include engaging influencers, adopting transparent business practices, and implementing socially responsible initiatives, which contribute to building resilient connections between brands and their communities.

Thus, social networks serve as an effective tool for forming social capital in e-commerce, creating additional value for brands and their communities. Using targeted marketing tools, involving customers in collaboration processes, and supporting social initiatives foster trust and loyalty, which promote long-term business success. The findings can be useful for enterprises seeking to enhance their performance through the use of social networks, as well as for developing strategies for fostering social capital in modern e-commerce.

1. Introduction

The modern world is rapidly transforming under the influence of digital technologies that permeate all aspects of human activity – from communication to economic relations. The 21st-century economy is increasingly oriented toward digital processes that reshape established business models and interaction structures. Amid this transition, social

factors such as trust, openness, and collaboration become crucial for the development of new commerce formats.

One of the most dynamic fields combining these social and economic aspects is e-commerce, where the relationships between buyers and sellers gain increasing significance through digital platforms. Social capital, which encompasses social networks, trust levels, and the intensity of interactions, has become a powerful tool for supporting innovative strategies in online sales.

Today, social platforms, where consumer communities interact, open new opportunities for the development of e-commerce. Through reviews, rating systems, and reputation mechanisms, social networks form the foundation for building customer loyalty and sustaining the growth of online sales. The interplay between the social economy and e-commerce thus emerges as a critical element of modern business processes, where the integration of social factors ensures a solid foundation for successful commercial strategies in the digital environment.

L. Lazebnyk notes in her paper that the use of digital channels to create and maintain social networks, exchange information and resources, has led to the emergence of a new societal phenomenon known as digital social capital [1]. O. Purdenko, V. Melnik investigated the importance of social capital for enterprises in the context of the implementation of European standards [2]. Another team of authors sees the most promising in the context of the integration of Ukraine with the EU, the support of e-commerce as a way to innovative development [3]. B2C, B2B, and B2G e-commerce in EU countries are considered by M. Skare, B. Gavurová, M. Rigelský in their paper [4]. Ukrainian economists provide an author's view on modern types of electronic commerce [5]. For the B2B business model, scientists from Lviv Polytechnic National University suggest using social networks to find and form partnerships in them [6].

V. Onyshchenko emphasizes that companies make considerable efforts to achieve trust from customers; therefore, the growth of social interaction in society contributes to the reproduction of the social capital of business, which positively affects the economic development of the state [7]. There are also studies on corruption practices conditioned by the broader socioeconomic environment and are linked to particularistic forms of social capital or

familism [8]. The authors' team from the Institute for Demography and Life Quality Problems of the NAS of Ukraine considers social capital not at the level of business structures, but at the level of territorial communities or the state as a whole [9-10]. At the same time the paper [10] demonstrates the features of the differentiation of forms of social capital according to the direction of internal connections within social networks and the density of social networks.

Researchers from Turkey examine the differences between commerce through e-commerce platforms and social commerce in the field of digital marketing [11]. G. Kanimozhi, C. Sengottuvel emphasize the importance of integrating online brand communities into marketing and communication strategies, as social media platforms play pivotal roles in shaping customer perspectives [12]. M. Stoica highlights the importance of embracing emerging technologies such as augmented reality, virtual reality, mobile apps and smart devices to create immersive and interactive shopping experiences [13].

Digitalization accelerates all socio-economic processes, and the widespread use of communication technologies has driven the development of sharing. Ye. Panchenko and A. Samoilenko identify communications and belief in the importance of communities as key drivers of the sharing economy [14]. This opinion is supported by a team of other authors, and adds that the social effect of sharing helps to increase the general level of trust in society [15].

N. Stukalo, A. Simakhova emphasize the growing influence of digitalization on the development of Industry 4.0 and 5.0, which from a social point of view contributes to the expansion of consumption and the improvement of the level and quality of life of the population [16].

So, the literature review gives reasons to establish the need for further coverage of issues of socialization of the modern economy and the increase of social capital through the use of innovative digital tools.

The purpose of the study is to analyze the conditions for strengthening social capital in the era of Industry 5.0 expansion and the prioritization of e-commerce tools.

The problem was explored through a combination of general scientific and contemporary research methods. Key methodologies included system analysis (to investigate various scholars' approaches and perspectives),

economic and statistical tools (to identify trends in the development of digital, sharing, and social economies), analysis and synthesis (to examine the categories of electronic commerce), and graphical techniques (to represent theoretical and practical insights visually through figures, diagrams, and tables).

2. Social capital in the conditions of economic models transformation

Industry 5.0 is a new concept that complements and evolves the core principles of Industry 4.0, which focused on the automation of production processes, by emphasizing the importance of human capital and social aspects within the context of technological progress. Unlike Industry 4.0, which primarily centers on integrating digital systems, Industry 5.0 aims at harmonizing the interaction between humans and machines, fostering qualities such as creativity, critical thinking, and social responsibility. At the center of this new industrial paradigm are the humans being, their well-being, professional growth, and capacity for innovation.

The evolution of modern economic systems increasingly underscores the importance of social interaction and trust as the foundations of stability and sustainable growth. In the face of rapid digital transformation and the emergence of new business models rooted in social responsibility and innovation, economic entities have begun to prioritize intangible assets like social capital. The role of social capital cannot be overstated, as it provides a foundation for reliable connections, effective communication, and trust among participants in economic activities.

This form of capital, which includes social connections, shared norms, values, and expectations, has become a defining factor of economic success. In the context of transforming economic models – from traditional to socially oriented and digital – social capital helps maintain and strengthen ties between businesses and society, ensuring the sustainability and responsibility of economic processes. Modern organizations recognize that in a highly competitive environment, often marked by instantaneous access to information, social capital is the factor that can secure long-term customer loyalty, community support, and collaboration across all levels.

Despite its significance, the preservation of social capital amidst the transformation of economic models faces numerous challenges. The rapid development of digital technologies, for example, can render social interactions superficial or reliant on algorithms governing platforms. This may lead to "fragile" trust among participants and a decline in the quality of human connections. Another challenge lies in considering the diversity of cultural, social, and economic factors that can influence the formation and utilization of social capital on a global scale.

Within Industry 5.0, the concept of the sharing economy – based on the principles of resource sharing and interpersonal collaboration – becomes especially significant. This model of economic relations reduces excessive consumption, lowers costs, and optimizes resource use through shared access. The idea of the sharing economy is also an essential component of the socially oriented development of nations, where trust, cooperation, and interaction among market participants come to the forefront.

Industry 5.0, with its focus on social aspects and human capital, gives additional impetus to the sharing economy by creating new opportunities for collaboration, idea exchange, and the formation of long-term social connections. This strengthens social capital, as sharing platforms enable users not only to access resources but also to build networks of trust and mutual support. This economic model, based on exchange and collective consumption, contributes to economic resilience, reduces environmental impact, and fosters responsible consumer practices, aligning perfectly with Sustainable Development Goals.

The social economy also naturally integrates into the concept of Industry 5.0, as it focuses on the human being, their needs, and well-being, striving for social justice and economic equilibrium. Unlike the traditional market economy, the social economy emphasizes creating societal value and solving social issues, using economic mechanisms to improve living conditions and enhance the quality of social services. In this context, Industry 5.0 not only supports but also reinforces the goals of the social economy, aiming to create inclusive, human-centered models of production and consumption.

Additionally, within the social economy, digital tools gain particular importance by enabling the scaling of social projects, making them accessible to a broader audience and increasing their social impact. Thanks to Industry 5.0, digital platforms become not just channels for selling goods

or services but also spaces for communication, experience sharing, and community forming.

The digital economy, in the context of Industry 5.0, seeks to integrate social and environmental objectives, adapting technologies to meet both individual and societal needs. This means that technologies serve not only as tools for optimizing production but also as means of developing sustainable and inclusive economic models that consider the interests of a wide range of stakeholders. For example, e-commerce platforms must now go beyond rapid customer service to facilitate social interaction and build trust between sellers and buyers, creating a space for mutual support.

Another critical aspect is the personalization of services based on individual needs and values. Industry 5.0 places particular emphasis on ethics and data privacy, ensuring the protection of user rights amid mass data collection. Digital platforms also increasingly serve as venues where people can share experiences, knowledge, and even emotions, contributing to the formation of social capital.

Let's create a table that compares the digital, sharing and social economy according to the main functional aspects (Table 1).

Therefore, modern models of the economy, such as digital, sharing and social, not only transform business processes, but also form new approaches to social interaction in the economic environment. The digital economy provides tools to scale commercial connections, the sharing economy encourages the efficient use of resources, and the social economy emphasizes public values and trust.

One of the vivid examples of the impact of social capital on socio-economic activities is the field of e-commerce, where social connections and user loyalty play a critical role. In modern conditions, e-commerce functions not merely as a sales model but as an integrated ecosystem where interactions between individuals, the exchange of opinions, and shared evaluation of goods and services contribute to the creation of additional value and enhance companies' competitiveness. In e-commerce, these principles transform into practical tools for developing social networks around brands and fostering mutual support among users.

Social capital, as a resource, creates new effects here: it manifests in the form of reviews and rankings, established communities, and interactions between buyers and sellers (Figure 1).

Table 1

Comparison of economic models in the conditions of Industry 5.0

Aspects	Digital economy	Sharing economy	Social economy
Goals	Optimizing economic processes through digital technologies, improving efficiency and convenience for users.	Maximize the use of resources by sharing them, reducing costs and overconsumption.	Creation of social values, support of social justice, solution of social problems.
Key elements	E-commerce, digital platforms, automation, artificial intelligence, big data.	Sharing platforms (taxi, housing, workspaces), digital services for sharing.	Social enterprises, cooperatives, public organizations, volunteering.
Advantages	Access to the global market, speed of transactions, personalization, scalability.	Reducing costs of ownership, environmental friendliness, access to a wide range of resources, communication support.	Social resilience, promotion of employment, support of local communities, fight against poverty.
Social influence	Creation of new jobs, expansion of forms of employment, improvement of access to services.	Rising trust among users, creating communities, reducing environmental impact.	Increasing the level of social integration, development of public initiatives, protection of the rights of vulnerable population groups.
Challenges	Data protection, the digital divide, the need for constant innovation and adaptation.	Legal issues, regulation of shared consumption, building trust between users.	Limited funding, scaling difficulties, low profitability in the short term.

Source: compiled by the first author

In the digital world, social capital becomes a significant element that integrates economic value with trust and loyalty, forming a sustainable foundation for community development. In fact, modern e-commerce could not exist at its current level without these social connections. As an element of the digital economy, it has not only adapted to the new demands of the

social and sharing economy but has also become one of the main drivers, actively leveraging forms of social capital to attract and retain customers.

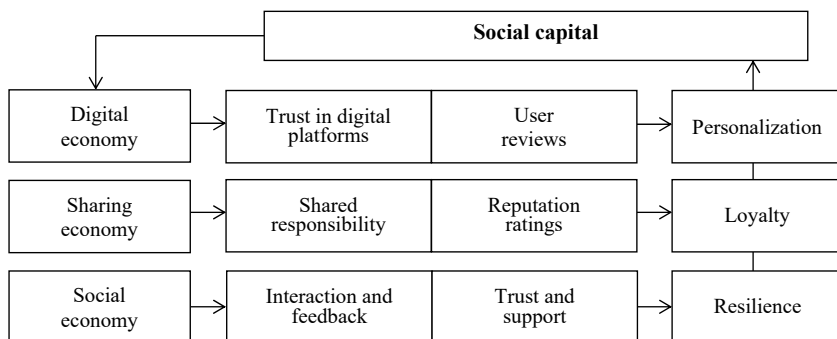


Figure 1. The potential of social capital in different economic models

Source: compiled by the first author

3. The concept of social responsibility in e-commerce

E-commerce is rapidly transforming the modern market, offering new opportunities for both businesses and consumers. Since its inception, it has evolved from a simple concept of online sales to a comprehensive system of digital marketplaces and platforms that integrate diverse goods and services. In recent years, e-commerce has become an integral part of the global economy, playing a significant role in consumer decision-making and business strategies.

E-commerce is a component of electronic business that represents cooperation between a company and all its counterparts through electronic trading tools based on the use of information technologies to optimize costs and improve the economic efficiency of business operations [17].

A unique feature of e-commerce lies not only in its ability to quickly adapt to technological innovations but also in its capacity to create an interactive and personalized environment for consumers. By utilizing social platforms, analytics tools, and artificial intelligence, e-commerce today can respond to consumer needs in real-time, significantly enhancing its competitiveness.

In the modern world of e-commerce, where the pace of change is driven by rapid technological innovations, traditional business models are giving

way to new approaches focused on social values and responsibility toward society. Contemporary consumers have become more demanding not only in terms of product and service quality but also regarding the ethical aspects of companies' activities, their contributions to communities, and their responsible approach to the environment. Consequently, the concept of social responsibility is increasingly integrated into online business and e-commerce as a critical strategy to boost trust, customer loyalty, and the general social capital of a company.

Social responsibility in e-commerce implies that businesses take on specific obligations toward society and the environment that go beyond profit-making. Traditionally, this concept includes areas such as environmental responsibility, charitable activities, the creation of safe working conditions, and the protection of human rights. However, in e-commerce, social responsibility has its particularities, as business operations predominantly occur in the digital space. This necessitates the adaptation of approaches and the development of innovative strategies to meet the social and ethical expectations of society. Adherence to the principles of social responsibility in e-commerce involves ensuring the harmonious coexistence of market participants, fostering feedback, and actively participating in solving social issues [18].

The main principles of social responsibility in e-commerce can be divided into several key components (Figure 2).

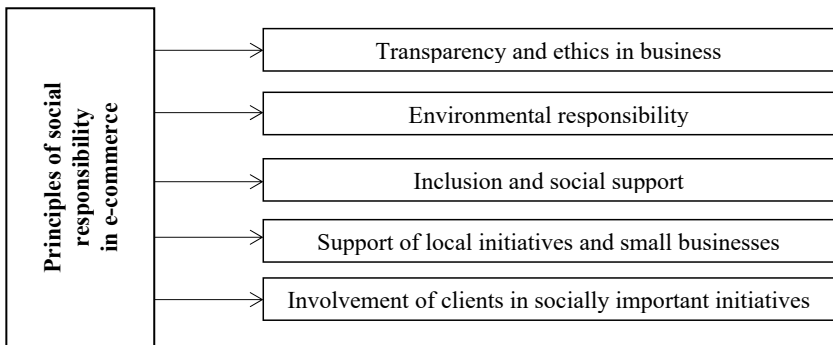


Figure 2. Principles of social responsibility in e-commerce

Source: compiled by the first author

Transparency and ethics in business. Consumers expect companies to be honest and transparent in their business processes. This includes providing clear information about product origins, quality, environmental safety, production conditions, and compliance with workers' rights. In the digital age, transparency is achieved through the publication of open reports, compliance certificates, customer reviews, and data on environmental and social impact.

Responsible data usage. Online businesses handle vast amounts of personal data, making responsible data collection, processing, and storage a critical aspect of social responsibility. Companies must ensure confidentiality, ethical data use, and clear communication with clients about how their information will be utilized.

Environmental responsibility. While e-commerce reduces some environmental impacts compared to physical stores, it poses new challenges, particularly in packaging and logistics. Socially responsible companies adopt eco-friendly practices, such as using sustainable materials, offering minimal or no-packaging solutions, optimizing deliveries to reduce CO₂ emissions, and promoting the reuse and recycling of packaging.

Inclusion and social support. Accessibility for all consumers, including those with disabilities, is crucial in e-commerce. Websites and mobile apps should be designed to accommodate diverse user needs. Additionally, socially responsible companies invest in local communities, initiate social projects, support young entrepreneurs, and employ socially vulnerable groups.

Supporting local initiatives and small businesses. E-commerce can significantly aid local producers by providing platforms for sales and market expansion. Platforms supporting local businesses not only enhance their social value but also strengthen social capital by creating partnerships and supporting local economies.

Engaging customers in socially significant initiatives. As consumers increasingly value opportunities to participate in meaningful projects, companies involve customers in charitable and environmental initiatives. For example, some platforms allow clients to donate a portion of their purchases to charity, or offer products where proceeds support social or environmental programs.

The implementation of these approaches enables e-commerce companies to meet modern market demands and contribute to the formation

of sustainable social capital. This fosters long-term customer trust and loyalty, strengthens brand reputation, and creates a competitive advantage in a climate of increasing consumer social awareness. Thus, the concept of social responsibility in e-commerce becomes not only an ethical imperative but also a vital factor in strategic business development in today's world.

The concept of social responsibility in e-commerce requires a comprehensive approach that integrates financial, social, and environmental aspects. For companies aspiring to be socially responsible, this approach should not merely manifest as isolated initiatives but should be integrated into their overall strategy and corporate culture. E-commerce focusing on long-term values seeks to create societal and economic effects that extend beyond merely generating profit.

For online businesses, social responsibility begins with forming clear strategies oriented toward social needs and sustainable development. Such strategies include not only specific actions but also the consideration of socially significant factors across all operations – from supplier selection to customer service and employee engagement. As a result, social responsibility becomes a key element of differentiation and value creation, which is a significant market advantage.

One of the key ways to express social responsibility in e-commerce is by building close relationships with customers. Companies actively use social platforms to listen to consumer opinions, respond promptly to their needs, and share information about socially significant initiatives. For instance, integrating feedback mechanisms, personalized recommendations, or community-focused loyalty programs allows companies to demonstrate their commitment to societal issues while enhancing customer loyalty.

Consumers are increasingly attentive to brands' environmental commitments. E-commerce companies implement eco-friendly practices in all aspects of their operations, from sourcing to delivery and logistics. Using sustainable packaging materials, optimizing transportation to reduce carbon emissions, and product recycling programs are just some of the strategies that support environmental responsibility and promote sustainable development.

A successful socially responsible strategy in e-commerce is not just a means of improving reputation but also a powerful tool for expanding social capital. Companies demonstrating care for social and environmental

aspects are more likely to attract a loyal audience that becomes their regular customers and brand advocates. By supporting socially significant initiatives, collaborating with charitable foundations, and actively involving customers in social projects, businesses create networks of trust and engagement, which form the foundation of social capital. When discussing e-commerce, it serves as a vivid manifestation of the digitalization of socio-economic development during the Fourth Industrial Revolution, acting as a significant driver of change in the economy and other sectors [19, p. 21].

In the context of Industry 5.0, emphasizing human needs and social resilience, e-commerce gains momentum for innovation. For example, the use of artificial intelligence and big data analytics enables companies to better understand customer preferences, reduce resource consumption, and optimize supply chains. This not only cuts costs but also reduces the ecological footprint, aligning with social responsibility requirements.

Digital platforms, such as websites, mobile apps, and social media, become vital tools for implementing social responsibility. They allow companies not only to communicate with customers but also to collect data for improving the effectiveness of social initiatives, analyze consumer preferences, and even engage customers in discussions about social and environmental issues. This fosters closer collaboration between brands and customers, helping to better address community needs, respond to consumer demands, and strengthen social responsibility in practice.

By integrating social responsibility principles into their strategies and business processes, e-commerce companies not only secure competitive advantages but also contribute to the sustainable development of society as a whole. In modern conditions, where social and environmental issues take center stage for most consumers, social responsibility in e-commerce is an essential element of successful business, creating significant value for society, strengthening social capital, and increasing trust in the brand.

4. Social media platforms for e-commerce

Social media platforms today play a crucial role in the development of e-commerce, offering companies new opportunities to engage with consumers and promote their products and services. From Facebook and Instagram to TikTok and X/Twitter, social networks have evolved

beyond mere communication channels into tools for facilitating purchases, providing integrated e-commerce functionalities.

Through features like embedded shops, payment systems, product reviews, and advertisements, social networks now enable companies to sell directly on platforms where their potential customers are already present.

The key advantage of using social media for e-commerce lies in the ability to build trust and foster consumer loyalty. Social platforms allow brands to create interactive content, respond to customer feedback and inquiries, and engage audiences through live streams, video reviews, and posts showcasing real customer experiences. This direct communication enhances customer interaction and fosters trustful relationships, which are vital elements of social capital.

In addition to traditional content, social platforms provide companies with access to detailed analytics of user behavior, enabling personalized marketing and targeted advertising campaigns aimed at specific audience segments. Targeting and analytics tools allow tracking user interests, their interactions with the brand, and prompt responses to changes in consumer behavior.

For instance, platforms like Instagram and Facebook have introduced "social media shop" features, where users can browse products, access information, leave comments, and make purchases directly on the platform without needing to visit another website. This approach streamlines and accelerates the purchasing process, contributing to customer convenience.

The transition to e-commerce or even online business may not be advantageous for every company, but it can significantly improve the overall situation. In the specific conditions of a particular type of company, all aspects that determine the efficiency of organizational work should be analyzed, from the level of an individual employee's workplace to the company as a whole [20, p. 58].

In the future, the role of social networks as platforms for e-commerce will only grow. They are turning into multifunctional platforms that integrate elements of social interaction, shopping convenience, personalization and analytics, making them one of the key drivers of e-commerce development in the digital world.

In 2024, more than 5 billion people used social media worldwide. In fact, much of the global growth of social media is driven by the growing

use of mobile devices. East Asia topped the global mobile social media penetration rankings, followed by established digital hubs such as America and Northern Europe. On average, internet users spend 151 minutes a day on social media and messaging apps [21].

Mobile commerce, also known as m-commerce, now represents more than half of all e-commerce sales globally. Community retail is interpreted as the sale of products through social media platforms to increase sales channels exclusively from a mobile application or website and to further increase the digital reach of a brand.

The mobile share in online commerce is forecast to keep growing in the years to come (Figure 3).

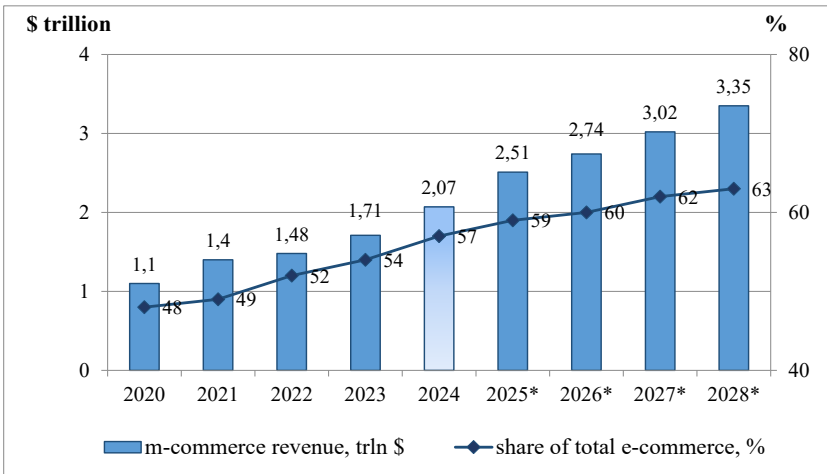


Figure 3. Mobile commerce revenue and share of total retail e-commerce worldwide, 2020–2028. 15,5 %

Source: compiled from data [21]

* Forecast data

The data in Figure 3 indicates a steady increase in both mobile commerce revenues and its share of total e-commerce. This growth can be attributed to the rising popularity of mobile devices and the improved conditions for shopping via mobile platforms. Mobile commerce revenues show an annual

increase, with the growth rate reaching 15,5 % in 2023 (compared to 5,7 % in 2022). The highest growth (excluding forecasted years) was recorded in 2024, where revenue rose by \$ 0,36 trillion compared to the previous year. On average, annual revenue growth amounts to approximately \$ 235 billion. From 2020 to 2024, the share of m-commerce increased from 48 % to 57 %, with an average annual growth rate of about 4,5 %, indicating the gradual strengthening of mobile commerce's role in the overall e-commerce structure. The highest growth rate was observed in 2022, where the share rose by 3 % compared to the previous year.

Currently, the leading countries in retail e-commerce growth, such as the Philippines, have seen an increase of up to 24 %. In 2023, the majority of online purchases worldwide were made on online marketplaces, incurring around a 35 % share of consumer purchases. The top four retail websites for consumers to visit globally were all marketplaces, with the leading website being "amazon.com". It was the most popular e-commerce and shopping website worldwide, accounting for more than 14 % of desktop visits to sites in this category in December 2023. Second place went to ebay.com with roughly 3 %. Allegro took third place [21]. As of May 2022, the leading social media traffic referrers to amazon.com were YouTube (52 %), Facebook (20 %), and WhatsApp (18 %).

Social media have now fared far beyond digital connections. They quickly become a dominant force in e-commerce. Networks like Facebook, Instagram, TikTok are very smart at connecting sellers to their target audiences. Let's consider the most popular social networks worldwide as of April 2024 by number of monthly active users (Figure 4).

Market leader Facebook became the first social network to surpass 1 billion registered accounts and currently has more than 3 billion monthly active users. Meta Platforms owns the four largest social media platforms, each with over 1 billion monthly active users: Facebook, WhatsApp, Facebook Messenger и Instagram. In 2020, TikTok launched TikTok for Business, which allows business owners to link their online store and TikTok account. On the other hand, Pinterest generates 33 % more referral traffic to shopping sites than Facebook, and its Rich Pins feature provides potential customers with links, references and product recommendations.

With an expected compound annual growth rate (CAGR) of 13,7 % from 2024 to 2028, revenues in social commerce are forecast to surpass

1 trillion dollars in the latter year (Figure 5). For example, Turkey, Brazil and India (CAGR 11,5 %) are poised for high average annual growth rates of e-commerce in the next 4 years, overtaking countries with higher incomes [21].

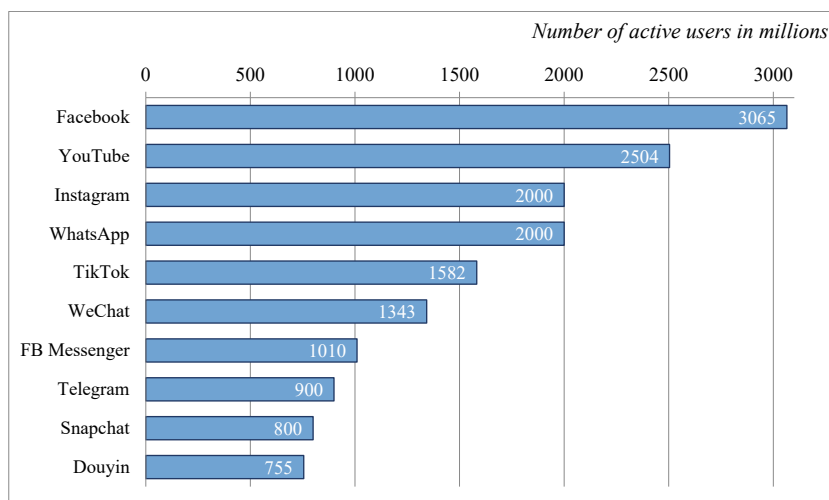


Figure 4. Top 10 popular social networks in the world (million active users per month), April 2024

Source: compiled from data [21]

Thus, although the growth rate of income from social commerce around the world is gradually decreasing, the hidden trend is losing its strongly positive one, due to the corresponding rapid growth. In 2022 the growth rate was 32,8 %, 2023 – 27,1 %, 2024 – 22,5 %. In 2025, the forecast growth rate will be about 17,4 %. Overall, average annual revenue growth from 2020 to 2025 is approximately \$ 120 billion.

The leaders in social shopping are Thailand, Colombia and China. In 2023, approximately nine out of ten internet users in these countries made purchases through social networks. In comparison, various European countries were relatively unfamiliar with direct trading, with only 25 % of French respondents using social commerce.

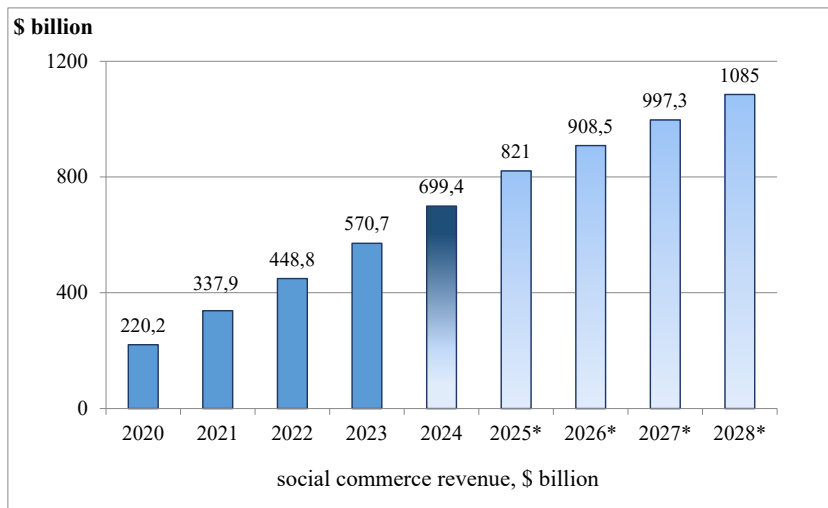


Figure 5. Social commerce revenue worldwide (billion U.S. dollars), 2020–2028

Source: compiled from data [21]

* Forecast data

This difference is due not only to the level of penetration of digital technologies, but also to the peculiarities of the perception of social networks and their integration into the everyday life of users in different countries. Social media has evolved from earlier mass media technologies and already provides analytical platforms with unique features and capabilities to influence resource mobilization and socio-economic impacts [22].

Based on data collected from users, social networks offer companies tools for precise targeting, personalized marketing and in-depth analysis of user behavior. It has been empirically proven that the use of social networks has a positive effect on the accumulation of social capital and the generation of information by social organizations [23]. As a result, companies can strengthen their market position and also contribute to the economic development of communities by creating platforms for collaborative consumption, communication and user engagement in processes that were previously only available to traditional business structures.

E-commerce in Ukraine is also gaining momentum, despite the circumstances of martial law, during which the revenues of this market segment were record low in 2022 (\$ 189 million). In 2023, the indicator increased more than 10 times (\$ 1750 million). In 2024, Internet trade is expected to grow by another 23 % [21]. In general, according to forecasts, the e-commerce market in Ukraine should recover to the level of 2020 in 2025, and by 2028 the result will approach the mark of \$ 2900 million, but still will not reach the pre-war level of 2021 (Figure 6).

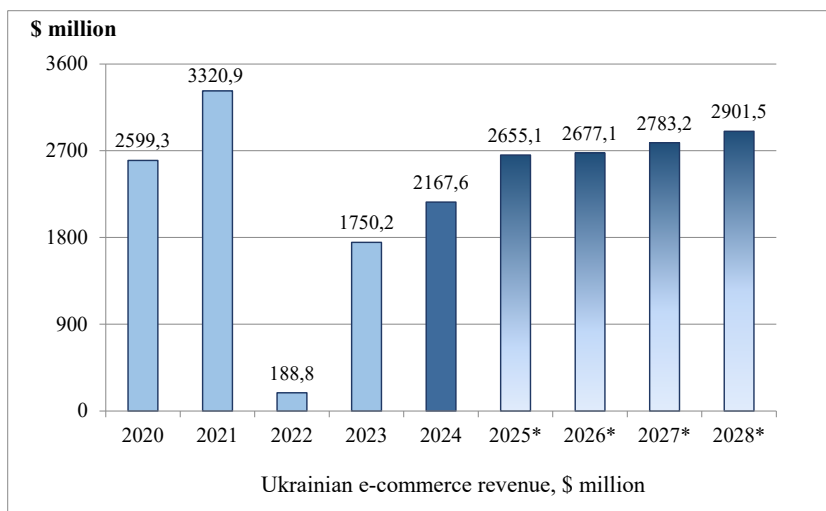


Figure 6. E-commerce revenue in Ukraine (million U.S. dollars), 2020–2028

Source: compiled from data [21]

* Forecast data

Thus, the volumes of the e-commerce market in Ukraine are growing rapidly. The future development of digital commerce depends on the speed of creating a cross-border interconnected e-commerce system that is implemented through digital marketing, sales, web hosting and is compatible with online platforms according to innovative standards and network tools [24, p. 182].

Let's consider in more detail the period 2021–2023 regarding the indicators of the e-commerce market of Ukraine (Table 2).

Table 2

Domestic retail trade and online sales in Ukraine, 2021–2023

Indicators	2021	2022	2023
Retail volume, \$ billion	53,05	38,25	47,87
Online sales, \$ billion	4,74	4,14	4,79
Internet users, million people	25,6	19,0	18,0
Online shoppers, million people	11,0	8,5	9,9

Source: compiled from data [25]

In 2021, Ukraine's retail volume reached \$ 53,05 billion. In 2022, it decreased significantly to \$ 38,25 billion, marking a decline of approximately 27,9 %, likely due to war. However, in 2023, the retail volume partially rebounded to \$ 47,87 billion, representing a recovery increase of 25,2 % from 2022, though still below pre-2022 levels. Online sales also experienced fluctuations during this period. In 2021, online sales amounted to \$ 4,74 billion. In 2022, they declined to \$ 4,14 billion, a decrease of around 12,7 %. In 2023, online sales rose to \$ 4,79 billion, surpassing 2021 levels and indicating a recovery and possible growth trend in the e-commerce sector with an increase of 15,7 % from 2022. The e-commerce share in Ukraine is 10 % in 2023.

The number of internet users in Ukraine dropped significantly from 25,6 million in 2021 to 19 million in 2022 and further to 18 million in 2023. This consistent decline reflects broader infrastructure or demographic changes, which impacted both online and offline retail potential. Despite the initial decline, the growth in 2023 suggests a recovering interest or accessibility in online shopping, even with a reduced internet user base.

Digital platforms enhance the competitiveness of e-commerce enterprises, support their growth, and facilitate efficient collaboration among trade, financial, and logistics companies. This synergy helps to reduce e-commerce costs and offers competitive pricing for consumers.

5. Conclusions

E-commerce is becoming a field for the development of social responsibility, where companies use the elements of social capital – trust,

loyalty, resilience – to attract and retain customers. In this way, e-commerce not only satisfies economic needs, but also contributes to the formation of new socio-economic ties that affect the stability and development of society in the conditions of digitalization.

The overall dynamics indicate steady growth of mobile commerce, both in terms of revenue and share in total e-commerce. The change in growth rates and share growth reflect the market's adaptation to the increased popularity of mobile platforms and technological developments that facilitate the convenience of mobile shopping. Revenues in social commerce are growing rapidly, although the rate of growth is gradually decreasing from year to year. This trend reflects the gradual saturation of the market, while revenues continue to grow due to the increasing role of social networks in consumer behavior and their influence on purchasing processes.

The data from 2021 to 2023 indicates a volatile period for both retail and e-commerce in Ukraine, marked by a dip in 2022 across several indicators due to full-scale war, followed by partial recoveries in 2023. The fluctuating retail and online sales volumes, alongside declining internet users but rising online shoppers in 2023, suggest resilience in the e-commerce sector despite challenges in overall internet access during blackouts martial law. This pattern points to a gradual adaptation of consumers to online retail, with potential for continued growth in online sales as infrastructure stabilizes.

Global e-commerce has become an integral part of the modern economy, significantly changing traditional approaches to retail trade and opening up new opportunities for businesses and consumers thanks to digital platforms, mobile applications and the global availability of goods and services. In this context, social capital becomes increasingly important, as trust, interaction and support between users and companies become the main resources for the successful development of online commerce.

The following recommendations can be offered for further building of social capital through trading in social networks:

Promote transparent and ethical business practices. Social capital is built on trust. Businesses selling through social media should focus on transparency, honesty in communication, and ethical practices. Open reviews, prompt responses to complaints, and clear pricing policies help increase customer trust.

Utilize community engagement tools. Social networks enable brands to create interactive communities. Organizing events, discussions, contests, or webinars helps engage customers and foster an environment where they can share experiences, give recommendations, and maintain connections with the brand. This strengthens social capital by enhancing ties and loyalty.

Engage micro- and nano-influencers. Leveraging influencers with smaller but highly trusted audiences can effectively boost social capital. Micro-influencers often have a closer connection with their audience, enabling brands to build an authentic image, support local communities, and attract new customers.

Launch socially responsible concept. Conducting socially responsible campaigns (e.g., charitable actions, supporting environmental projects) enhances social capital as customers see the brand's commitment to society. This fosters a positive brand image and loyalty.

Implement feedback tools. Creating opportunities for customers to share their opinions about products or services through social networks (surveys, reviews, queries) helps brands understand audience needs and expectations. Collecting feedback increases loyalty and trust as customers feel valued in the brand's development process.

Support local initiatives. Supporting local initiatives and collaborating with other local businesses or social projects helps brands strengthen ties within their communities. This builds social capital by uniting customers around shared values and goals.

Invest in customer education. Educational materials related to products, services, or the industry, help improve customer awareness and contribute to their professional and personal development. This creates additional value for the community around the brand and fosters loyalty.

The implementation of these measures will allow businesses in the field of social commerce to form and strengthen social capital, which in turn will contribute to long-term relationships with customers and improve reputation in the market.

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