



RESEARCH INSIGHTS

Social Commerce Transforming the Retail Landscape in Asia



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Key Trends

01

Social Media Integration

Platforms like TikTok and Instagram are seamlessly merging with e-commerce, enabling impulsive, frictionless purchases directly through social media features.

02

Influencer Impact

Influencers significantly drive sales by lending trust and relatability to products, with Gen Z consumers often purchasing based on these endorsements.

03

Shoppertainment

The blend of shopping and entertainment through live streaming and interactive content boosts consumer engagement and sales on platforms like TikTok.

04

Personalization and Technology

Advanced AI and analytics are being used to create highly personalized shopping experiences, enhancing consumer engagement and satisfaction.

05

Corporate Social Responsibility (CSR)

Brands are promoting sustainability and ethical practices to build trust and loyalty among consumers.



Introduction

Social commerce is transforming the retail landscape by integrating social media platforms into the shopping experience, creating a seamless blend of content and commerce. Its importance lies in the ability to connect brands with consumers where they already spend significant time, leveraging social interactions, influencer marketing, and personalized recommendations to drive engagement and sales. By fostering authentic connections through user-generated content, live streaming, direct customer feedback, social commerce enhances trust and brand loyalty. It also shortens the customer journey, enabling instant purchases directly from social media posts or ads, boosting conversion rates and expanding reach for retailers in a highly competitive market.

Social commerce in emerging Asia blends social interaction with shopping, driven by high mobile usage and social media platforms like TikTok, Pinterest, Instagram and other regional platforms. This shift emphasizes community, trust, and entertainment in shopping.

With over 600 million people and rapid digital growth, Southeast Asia's e-commerce is thriving. High smartphone adoption and platforms like TikTok Shop have disrupted traditional retail. Small businesses and individuals are reaching wider audiences through these platforms.

Key drivers include "shoppertainment" and recommendations from community leaders. Challenges are higher shipping costs, inconsistent return policies, trust issues, and reliance on cash-on-delivery. Despite this, social commerce is the future of retail in emerging Asia, focusing on authenticity and community integration.



What are the key trends driving the growth of social commerce today, and how are brands adapting to these trends?

Social commerce is growing rapidly due to increased time spent on social platforms, seamless shopping features like shoppable posts and live-stream shopping, and a shift towards user-generated content. People trust reviews, unboxings, and influencer recommendations more than traditional ads. Brands are using AI and data analytics to create personalized ads and are focusing on micro-influencers. They're investing in mobile-optimized video content to reach consumers where they are. Social commerce sales are projected to hit billions globally, with platforms continuously rolling out new tools to maintain momentum. Brands that balance convenience and connection will succeed.



How has the integration of e-commerce with social media platforms transformed consumer buying behavior?

The integration of e-commerce and social media has drastically changed consumer buying behavior. Shoppers now make impulsive purchases directly through platforms like Instagram, Pinterest, and TikTok with minimal friction, thanks to features like in-app checkouts and one-tap payment options. Over 70% of Gen Z have bought something via social media. Consumers rely on unboxings, reviews, and influencers more than brand promises. Gamified shopping using challenges and rewards boosts engagement and conversion rates. Personalized ads and social interactions around purchases turn buying into a conversation and make it a more immersive experience. This seamless blend of socializing and spending is fueling a surge in global social commerce sales.

What role does influencer marketing play in social commerce, and how can brands ensure authenticity in their partnerships?

Influencer marketing powers social commerce by transforming casual scrolling into sales. Influencers make products relatable and trustworthy, as followers see them as friends rather than faceless ads. Over 50% of social media users have bought something based on an influencer's recommendation, with higher rates among Gen Z. Authenticity is key, as influencers with smaller, tight-knit followings often drive more engagement than big-budget campaigns. Brands should choose influencers whose values align with their own, allow creative freedom, and maintain transparency in partnerships. Long-term relationships build credibility, trust, and sales. Monitoring follower reactions and adapting accordingly ensures the campaign's success.





What are the challenges that smaller businesses face when trying to break into social commerce?

Smaller businesses face challenges breaking into social commerce due to competition from big players. They struggle with visibility on social platforms that favor high engagement, making it hard for their posts to gain traction. Paid ads can help but are costly. Setting up shoppable features requires investment, time, and expertise, which small businesses might lack.

Building credibility is tough without a big marketing push, as consumers rely on reviews and social proof. Partnering with influencers is valuable but often unaffordable for small businesses. Additionally, fast trends in social commerce can be challenging to keep up with due to limited inventory and flexibility.

To succeed, small businesses need to hustle smart, focus on niche audiences, use free tools like Reels or Stories, and build steadily with loyal locals or micro-influencers. It's tough, but those who manage can carve out a spot in the market.



Can social commerce be a tool for social change or advocacy, and how can brands align their social commerce strategies with their corporate social responsibility goals?

Social commerce can double as a powerful tool for social change and advocacy. Brands are integrating purpose into their strategies by using platforms where people shop and rally around causes. Consumers, especially Millennials and Gen Z, are drawn to brands that support causes they care about, with over 70% willing to buy from such brands. Shoppable posts, live streams, and influencer endorsements can promote products tied to missions like eco-friendly gear or fair-trade goods, merging commerce with advocacy.

For authenticity, brands must genuinely align with causes that fit their identity to avoid backlash. Tying sales to impactful actions and encouraging user-generated content can turn customers into advocates, boosting loyalty and sales. Done right, it's a win-win, profit with purpose.

Key Takeaways

The takeaways highlighted below show how social commerce is not just transforming how goods are sold in Asia but also redefining the responsibilities and influence of retailers in society.

Rapid Growth Fueled by Mobile-First

Consumers: Southeast Asia, India, and China experience explosive social commerce growth due to widespread smartphone adoption and high internet penetration. Platforms like TikTok Shop and Shopee Live facilitate in-app purchases. Quick adoption is the need of the hour.

Role of Digital Influencers: Influencers, especially smaller ones, play a pivotal role in driving purchases in markets where storytelling, community engagement and trust are key. Smaller brands benefit from partnering with micro and smaller influencers, who are cost-effective and have highly engaged, niche audiences driving authentic connections and sales.

Platform Diversity: The region has a diverse social commerce ecosystem, requiring multi-channel strategies. Retailers need tailored content for different demographics on platforms like TikTok, Instagram, and regional players which offer built-in audiences, payment systems and logistics support.



Shoppertainment: Integrating shopping and entertainment through live-streaming and gamification boosts engagement and impulse purchases. Success hinges on creative, low-cost content rather than big ad spends. Short, engaging videos or live streams on platforms like TikTok using free tools resonate with Asian consumers.

Logistics and Payment Challenges: Success relies on robust logistics and payment systems. Mobile wallets streamline payments, but rural areas could pose logistical as well as payment hurdles.

Personalization with Technology: Generative AI and AR enhance shopping experiences with personalized recommendations and virtual trials. Large retailers gain an edge, pushing smaller players to established marketplaces. Smaller brands can personalize through simpler means—tailoring posts to local languages, festivals, or customer preferences based on direct feedback.

Market Consolidation: Big players dominate innovation, integrating social commerce with logistics and payments. Smaller retailers depend on these giants to stay competitive. Fierce competition from big players and other small brands requires consistent branding and niche positioning. Limited capital means smaller brands often can't match the free shipping or deep discounts offered by big brands, so they will need to shift focus on value over price.



Corporate Social Responsibility (CSR)

Enhanced Consumer Trust and Loyalty: Retailers on social commerce platforms use CSR initiatives to build trust with socially conscious Millennials and Gen Z, boosting emotional connections and loyalty.

Amplification Through Social Channels: CSR efforts gain visibility on social platforms through user-generated content and influencer campaigns, highlighting ethical practices and influencing purchase decisions.

Competitive Differentiation: In Asia's competitive market, CSR sets retailers apart by appealing to consumers who prioritize authenticity and sustainability over affordability.



Extended Producer Responsibility (EPR)

Sustainability in Supply Chains: Social commerce increases consumer awareness of product lifecycles, pushing retailers to adopt EPR principles for better waste management and recycling.

Consumer-Driven Accountability: Social platforms enable transparency about product origins and disposal, encouraging retailers to take responsibility for post-consumer waste.

Policy and Innovation Opportunities: Governments and businesses in Asia are exploring EPR policies to manage the environmental impact of social commerce.



Advocacy

Influencer-led Movements: Influencers promote sustainable products, shaping consumer behavior and advocacy efforts.

Corporate Voice in Social Issues: Retailers use social platforms to advocate for societal issues, resonating with digitally savvy consumers who value brands reflecting their priorities.

The convergence of social commerce with CSR, EPR, and advocacy reflects a shift toward a more responsible and engaged retail ecosystem in Asia. Retailers must navigate this landscape by balancing profitability with purpose, leveraging the interactive nature of social platforms to build trust, and responding to consumer and regulatory pressures for sustainability. As Asia continues to lead global consumption growth, these elements will shape a retail future where social impact is as critical as economic success.

At the latest edition of GATES Emerging Asia Consumer Tech Channel Summit, held in Kuala Lumpur in February 2025, our panel of experts provided a comprehensive understanding of how social commerce is fostering innovation and reshaping the retail landscape, dissecting the opportunities and challenges associated with adopting social commerce in the retail sector, paving the way for a more informed and forward-thinking business.



Pictured (L to R): Ms Sian Hannah, Mr Nguyen Kha, Ms Michele Huang, Mr Edward Yeo, Ms Chi Trần Phương (Alexis), Mr Somchai Sittichaisrichart and Mr Arslan Ashraf



Key Takeaways from the Panel

“Social Commerce offers an opportunity for brands to present a more detailed valued proposition, which might need more time to explain,” said **Michele Huang**, Founder and Director at GA ESG Solutions. “We can’t sell technology products today simply by talking speeds and feeds. Sustainability is a preference factor for many young consumers, studies show, and social commerce – TikTok shop, unboxing videos, livestreaming – can be a great way to connect on issues that matter to them.”

“The product lifecycle is getting shorter,” says **Tran Phuong Chi (Alexis)**, CEO at Phong Vu Vietnam. “We need to be faster in supply chain and promotions, and Social Commerce can help create a more seamless experience in product turnover.” She continued, “Part of going omnichannel is reaching younger customers on mobile phones – the ‘Digital Natives’ – through the web, app, social media platforms, as well as in-store.”

Key Takeaways from the Panel



“We can not only sell more, but know more,” said **Edward Yeo**, Country Manager Logitech Singapore. “There has been an explosion in the content and creator space. The user base for social commerce is growing rapidly and they’re young. As brands, distributors and retailers, the more we learn about them, the more effectively we can create a detailed value proposition.”

“Content is king,” said **Nguyen The Kha**, Senior Commercial Director, FPT Retail, “but one size does not fit all.” Describing how the retail giant leverages TikTok Shop and other social commerce platforms, he continued: “We are not only selling a product, but we are also talking to the customer. A key factor is understanding the customer segments and engaging in the right way with the right creators.”



Key Takeaways from the Panel

“We need to talk to consumers where they are most receptive to listen,” said **Arslan Ashraf**, Yamada Consulting & Spire. “Globally the average user spends 3.5 hours per day on his/her mobile phone. In Southeast Asia, that number can go as high as 5.5 hours per day. So, if your customers in the region are hooked to their mobile phones, you can imagine where they would be most receptive to your messages. In Social Commerce, influencers will play the most critical role,” he continued. “Especially for SMEs, working with micro-influencers to create content – in a targeted and cost-effective way – can be really effective in conversion.”



Here's What Our Experts Had to Say



*Mr Arslan Ashraf, Yamada
Consulting & Spire, Singapore*

8 out of the top 10 social media usage countries are in Asia and 6 of these are in Southeast Asia. Rapid growth in social media influence mostly among youngsters connecting with users. Consumers are hooked to their mobile-phones. Micro influencers will play a very big role in conversions among consumers. Curated content creation and moderation is important for brands to drive social commerce.

Celeb-influencers are expensive and not viable in terms of outcomes. Influencer created content can be more powerful coupled with consumer reviews than expensive brand ads. Micro-Influencer adoption and engagement needs to be quick as it creates an additional sales channel for the Brands and retailers. Brands should be able to use AI based analytics to improve personalization and drive sales.

We have adopted TikTok into our marketing and sales outreach as content is also a form of entertainment and drives engagement.

Mr Nguyen Kha, FPT Vietnam





*Ms Chi Trần Phương,
Phong Vu, Vietnam*

Social commerce has been a challenge filled with opportunities. Reviews and comments from multiple marketplaces, online shops, TikTok shops, etc., helps understand which brands and products are preferred. Price is secondary, it is all about experience. Social commerce is also promoting environmental sustainability which also influences a section of consumers. Suggests to work with influencers to drive sales of premium products by value addition through suitable content rather than chase high volumes at low prices. Efforts need to made to reduce and eventually eliminate plastic packaging as part of CSR. Product specifications should include recycled and or reusable content of laptop, desktop, other products.

Logitech is aware of the key trends in social commerce in the region.

Logitech has repackaged its products in line with environmental sustainability without compromising visual impact and consumer interest.

A new set of consumers are driving social commerce.



*Mr Edward Yeo, Logitech,
Singapore*



*Ms Michele Huang, GA ESG
Solutions, Singapore*

Sustainability coupled with innovation and technology is driving social commerce, creating a value proposition and opportunity for higher margins. Use of recycled plastic for new products is also driving sales among Gen-Z. Consumers are willing to pay more for green shipping options and willing to wait longer for delivery to reduce costs. Retailers and Brands should take up EPR and ensure proper disposal of older used products. Focus should be on charging premium for environmentally sustainable products.

Online sales have been erratic and unpredictable many times. Some products sell fast and some don't. There are times when products which were not selling suddenly saw increased demand leading to rapid clearance of inventory. Uses sales statistical data for detailed analytics to figure out why a certain product is not selling or why it is suddenly in high demand. Offering drop ship services to their retailers has increased sales.



*Mr Somchai
Sittichaisrichart, SIS,
Thailand*

Desired Outcomes

Increased Market Penetration

Successfully expanding the reach of social commerce platforms into more areas within Asia, particularly focusing on mobile-first consumers and leveraging high social media engagement rates.

Enhanced Consumer Engagement and Loyalty

Building stronger, more authentic relationships between brands and consumers through interactive and personalized shopping experiences such as live-streaming, user-generated content, and influencer partnerships.

Improved Sales Conversion Rates

By integrating social commerce features directly into social media platforms, the goal would be to reduce friction in the purchasing process, thereby increasing the likelihood of impulse buys and overall sales volumes.

Sustainable Growth and Corporate Social Responsibility

Encouraging brands to align more closely with CSR and EPR principles by promoting environmentally sustainable practices, ethical sourcing, and transparent supply chains, ultimately leading to increased consumer trust and loyalty.

Desired Outcomes

Innovation in Logistics and Payments

Developing more robust and efficient logistics and payment systems that can handle the unique challenges of social commerce, such as integrating mobile wallets and streamlining rural deliveries.

Diverse and Inclusive Platform Strategies

Creating tailored content and marketing strategies for different demographics and regions, ensuring that social commerce platforms can effectively serve a diverse consumer base with varied preferences and needs.



Conclusion

In the rapidly evolving realm of social commerce, businesses must prioritize enhancing consumer trust by integrating corporate social responsibility (CSR) and transparent practices, thereby emphasizing ethical behaviour and authenticity to cultivate loyalty.

Adding hyper-personalized experiences tailored to consumers' preferences further enhances customer retention and loyalty.

As technology continues to advance, the increased investment in artificial intelligence (AI) and data analytics is critical, enriching user experiences and optimizing operations to provide a competitive edge.

As the market increasingly shifts towards digital platforms, it is crucial for companies to remain agile and responsive, adapting to new technologies and market trends to stay relevant and succeed in a dynamic commercial landscape.

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