UNIVERSITY OF LJUBLJANA

SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

THE INTERPLAY BETWEEN SOCIAL COMMERCE AND SOCIAL MEDIA MARKETING STRATEGY DEVELOPMENT: A CASE FROM THE OUTDOOR INDUSTRY

Ljubljana, June 2023 ANIKA BIZJAK

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LIST OF ABBREVIATIONS

sl. – Slovene

CLLV – (sl. Povezana žvljenjska vrednost kupca); Connected Customer Lifetime Value

CLV – (sl. Življenjska vrednost kupca); Customer Lifetime Value

eWOM – (sl. Elektronsko trženje od ust do ust); electronic Word-Of-Mouth

SC – (sl. Prodaja prek družbenih omrežij); Social Commerce

SM – (sl. Družbeno omrežje); Social Media

SMM – (sl. Trženje prek družbenih omrežij); Social Media Marketing

SMMS– (sl. Strategija trženja prek družbenih omrežij); Social Media Marketing Strategy

WOM– (sl. Trženje od ust do ust); Word-Of-Mouth

1 INTRODUCTION

With the growth of social media usage, companies have identified opportunities to monetize those platforms and increase performance. Marketing through social media has become an important part of a firm's marketing. The core of such marketing has evolved to value co-creation by forming communities and collecting valuable data about the customer. However, for a company to successfully create value, a strategy needs to be developed. Yet, companies struggle to develop strategies for SM and integrate them with wider business objectives (Zahay, 2021).

Companies nowadays take innovative approaches to take advantage of social media. For example, influencer marketing is an important aspect of selling through social media (Zhou et al., 2021). Social commerce is a term that describes the synergy between social media and commerce. It refers to the use of social media that enables interactions between users to aid activities in the buying and selling of products and services. Similarly, it creates the possibility to integrate purchasing and social networking activities (Wang & Zhang, 2012). Brands investigate social-specific metrics like building word-of-mouth, identifying the right influencers to distribute content, and managing communities of people interested in a specific type of product or service. Furthermore, marketing activities involve creating incentives, like rewards and customer relationship management, to encourage customers to place an order (Kazmi, 2021). For companies, social commerce means doing business through social media and utilizing it as a means of attracting more consumers. Social commerce platforms and their members are co-creators of the company's value and serve as a revenue generator (Yu et al., 2020).

To build a community around apparel for outdoor activities and to sell outdoor products through social media, companies need to take industry-specific factors and trends into account. For example, the trend shaping the digital market of the outdoor industry is an extension from the B2B to the B2C segment (Rotar, 2021). In general, interest in outdoor activities and experiences has grown. One of the industry-specifics is that offline retailing is still quite prevalent in the outdoor industry. Customers that buy things online value a large selection, attractive deals, and the ease of doing so. (Ludwig et al., 2021). What is more, the area of outdoor apparel is not yet well researched, as previous research from social media has focused on the fashion, luxury goods, and automotive sectors (Zhang & Su, 2022). That is why the research in this industry is interesting and appealing.

The purpose of my master's thesis is to analyze the interplay between social commerce and social media marketing strategy development in the outdoor industry. Besides, the intention is to find out how marketing managers can take advantage of the rising influence social media has on interacting with customers and help develop marketing strategies that translate into growth. The research provides managerial implications for creating an effective social commerce strategy in outdoor apparel. Moreover, it provides insights into the role of social commerce and social media marketing strategies to improve existing products and develop new ones. The thesis takes the understanding of social commerce one step further than previous literature, more specifically in the outdoor apparel

industry. Given the context of the outdoor industry, the thesis provides examples of how marketing managers can leverage social media to interact with customers in this segment.

The main goal of the thesis research is to carry out interviews with ten outdoor brands. A company representative is a marketing manager or comparably skilled marketing expert who is highly involved in creating social media strategies for social media platforms. By getting insights from interviewees, the goal of a thesis is to find out what role social media marketing strategy plays in social commerce activities in driving sales and turning potential customers into buyers and, even more importantly, into repetitive purchasers.

The following research questions aimed to meet the goals:

- RQ1: »How do companies perceive social media marketing and social commerce, and what is the current adoption in the industry?«
- RQ2: »What is the role of social media and social commerce in the outdoor industry as a means to improve existing products and facilitate product co-creation and innovation?«
- RQ3: »Which factors are most frequent for engaging customers in social media and social commerce?«

A master's thesis consists of theoretical and empirical parts. In the theoretical part, the existing literature and already-known concepts about social media marketing and social commerce are reviewed. Moreover, the outdoor industry more generally and its specifics regarding online purchasing and usage of social media are outlined. The empirical part consists of interviews conducted with ten representatives and marketing managers from the outdoor companies. After the results chapter, implications for marketing managers are provided. The thesis continues with theoretical contributions to the fields of social media marketing, social commerce, and the outdoor industry. Then, research limitations and the potential for further research are pointed out. The thesis ends with a conclusion. The interview questions can be found in the appendices.

Why interplay? It is evident that the understanding of the relationship between these two terms varies. Different researchers have offered diverse perspectives on how social commerce influences social media marketing strategies and what their connection is. Some believe that a strong social media marketing strategy is vital for successful social commerce by helping businesses engage with their target audience. Others emphasize the need to integrate social commerce features within social media platforms for seamless purchasing experiences. These variations reflect the changing nature of both social media and social commerce, as well as ongoing research about their connection.

2 SOCIAL MEDIA MARKETING STRATEGY

Marketing is a strategic plan under which products and services go from conceptualization to the actual customer. It consists of the four components, known as the »4 Ps of marketing«. It comprises identifying, choosing, developing, and setting a product's pricing, choosing a distribution method to reach the customers, and establishing a strategy (Rana et al., 2019). Marketing strategy refers to a company's set of decisions that define its crucial choices regarding marketing activities to provide value to customers, and in exchange, achieve

monetary and other goals. The emphasis is on gaining a competitive advantage through market segmentation, targeting, and positioning (Varadarajan, 2010). Morgan and Hunt (1999) stressed the importance of building relationships in the marketing strategy. Developing trustworthy relationships creates an advantage when retrieving resources through those connections.

People are social beings who gather and exchange knowledge that matters to them. Communication with other users is a fundamental part of social media, in addition to its networking aspects (Dolega et al., 2021). The technological advancements have greatly expanded consumer social interaction. Through forums, blogs, and chat options people effectively exchange information. Social interaction entails passive observers and active collaborators. Furthermore, companies can manage those interactions that previously could not be supervised (Chen et al., 2011).

Social media's dominance of online communication sparked the emerging trend known as social media marketing (Oyza & M. Edwin, 2015). Combining the usage of social media with the company's marketing strategy goals, the term social media marketing strategy has been developed (Li et al., 2021). To fulfil marketing communication and branding objectives, such marketing uses social media platforms. It refers to actions involving the online distribution of marketing-related content (Oyza & M. Edwin, 2015). Social media marketing aims to increase traffic and sales by encouraging conversation between existing and future customers in online communities (Gonçalves Curty & Zhang, 2013). Pictures, articles, and other content are intended to grab users' attention and inspire them to share them with their social network. Spreading the content creates electronic word-of-mouth, about which I write in the continuation (Oyza & M. Edwin, 2015).

Social media marketing (hereafter, SMM) is the next level of company engagement. It depends on the growth of the social ecosystem to which online businesses belong. It is crucial for companies to investigate this online environment to promote brand awareness and recognition, attract potential customers, and utilize user-generated content to support business strategy (Gonçalves Curty & Zhang, 2013). Social media marketing strategy (hereafter, SMMS) still hasn't adopted a mutual agreement on its definition. It is associated with several terms, e.g., »social media strategy«, »online marketing strategy«, and »strategic social media marketing«. None of the mentioned fully describes the core function of SMMSs and their role in marketing strategy. The focus of the SMMS is engagement with customers to meet marketing objectives. SMMSs differ from each other, based on three factors: the type of objective a company is trying to achieve with social media, the direction of interactions between the firm and its consumers, and the level of customer involvement attained. Based on these factors, the authors of the research identified four types of SMMS, namely social commerce strategy, social content strategy, social monitoring strategy, and social CRM strategy (Li et al., 2021).

Nowadays, marketers can communicate with, comprehend, and develop relationships with customers like never before in history. On the other hand, consumers have influence over the marketing process. The size of market segments has shrunk during the evolution of marketing. Social media allows marketers to reclaim some of the power they are losing over consumer by making suggestions from a database (Zahay, 2021). Currently, value co-creation is the main characteristic of SMM (Yu et al., 2020). It means customers take part in the development of the products and brands' identity (Zahay, 2021). Marketers use it to increase consumer-brand interaction. It consists of two major components, members, and platform. Members who engage on social media platforms represent resources for the company, and those resources are used to improve these platforms (Yu et al., 2020) and in marketing mix processes (Saarijärvi, 2012).

Table 1: The development of the social media marketing strategy concept

	Social media	Marketing strategy	Social media marketing strategy	Supportive literature
Main characteristic	Interaction, communication, and networking	Building strong and long-lasting relationships	Customer engagement and co-creation	Morgan & Hunt (1999) Dolega et al. (2021) Yu et al. (2020) Li et al. (2021)
Orientation	Passive and active	Transactional and relational	Transactional and engagement-oriented	Chen et al. (2011) Li et al. (2021)
Purpose	To develop relationships and facilitate social interactions	To gain a competitive advantage	To meet marketing objectives and monetize interactions	Varadarajan (2010) Chen et al. (2011) Zahay (2021) Li et al. (2021)

Source: Own work.

2.1 Components of a Social Media Marketing Strategy

2.1.1 Drivers

Firstly, companies need to define for which reason they are using social media. In other words, social media marketing objectives need to be established (Li et al., 2021). At the firm's level, social media may be utilized to target a few stakeholders or solely one (Felix et al., 2017). Based on the specified reasons, firms can continue with the development of the goals. The most frequently used SMM objectives include boosting sales, increasing brand awareness, improving brand reputation, spreading traffic generation on different social platforms, and altering traditional marketing costs to the online environment (Felix et al., 2017; Montalvo, 2011; Vinerean, 2017). For more responsive marketing, companies can utilize social media to track conversations to understand the attitude customers have towards a company and the actions they take (Felix et al., 2017). Montalvo (2011) sees social media as a strategic tool to predict upcoming requirements and trends that dictate the survival and expansion of the company.

The majority of marketers use social media to create devoted followers, as well as to collect data on a distinct market and the specific stakeholders in it (Oyza & M. Edwin, 2015). While methods to attract, acquire, and retain consumers have been a part of marketing activities for decades, there is now a fourth goal that marketers are trying to pursue: engaging customers to take part in marketing and efforts to sell product or service after they acquire them (Zahay, 2021). When setting objectives, the base layer for development should be a general business strategy. Once the objectives are set, companies will better understand the future development of a product or service. Moreover, the company will prepare a better plan on how to reach its main targets. However, social media goals are determined by its industry, size, and the social networks it uses (Vinerean, 2017).

Consumers' social media usage motivators are also the drivers of social media marketing strategy. Customer engagement is defined as a customer's behavioral response to a business that goes above and beyond what is required for the economic transaction. Customer interaction has been discovered to be of great benefit to companies. Its nature supports a company beyond the financial aspect, and it's normally given voluntarily without any incentive from the firm's side (Harmeling et al., 2016). According to research from de Oliveira Santini et al. (2020), satisfaction, joy, and trust create consumers' involvement in social media. Furthermore, customers contribute to the company's success in a direct or indirect way. Engaged customers may help businesses directly through purchasing decisions or indirectly through positive word-of-mouth. De Oliveira Santini et al. (2020) found out that high product involvement results in increased customer engagement. Therefore, companies should consider identifying methods for involving customers. What is more, customers who take action on social media have higher degrees of brand loyalty than those who do not engage with the brand's social media (Dimitriu & Guesalaga, 2017). Customer

engagement boosts product innovation and strengthens the quality of post-purchase services (Harmeling et al., 2016). Dimitriu & Guesalaga (2017) analyzed the underlying motivators for social media usage and found many motives. Most people look for discounts and coupon codes on the brand's social media channels. Some follow the brand to stay up-to-date with their news. The third common behavior is to actively seek brand-related information. In contrast, the fewest people use it to post negative comments about the brand.

Consumers aim to interact with brand-related posts online because they are motivated by a desire to establish a positive online presence, lend a hand to other users, and have a feeling of being a part of something. What drives people to consume brands' social media is entertainment, informational purposes, helping others, empowerment, and possible rewards, such as economic benefits and career incentives. Nonetheless, there is also a strong motivator for socializing, which explains that people are in need of connecting with others (Yesiloglu et al., 2021).

2.1.2   Inputs

A firm's social media engagement initiatives are the first input. Companies take steps to engage and inspire their clients to contribute to the company's resources. Firms depend on customer interaction to ease resource shortages (Li et al., 2021). The two main types of engagement that companies use on social media are task-based and experiential marketing. A task-based engagement uses actions to motivate customers to input marketing functions. These tasks are often rewarded (discount codes) and include writing a review, referring to a friend, helping out another customer, etc. These activities lower costs and increase sales. Nonetheless, engagement efforts that are based on financial stimulation hold the risk of being short-effective, unsustainable, and prone to opportunism. Furthermore, such engagement can lead to the weakening of relationships and the abuse of a company by its customers. In contrast, experiential customer engagement marketing is an engagement initiative's effort to create enjoyable interactions with customers outside the main transaction. The goal is to encourage voluntary, autonomous consumer involvement. An example of such marketing is word-of-mouth. Initiatives for experiential bring people together, which gives people a sense of belonging and purpose, and a desire to contribute (Harmeling et al., 2016).

But what exactly are consumers contributing to? They contribute to the profits associated with their purchases and the purchases that result from their influence on others. Besides, purchases, reviews and new ideas given to the company may increase profit. In addition to the profits, companies also measure the actions that improve acquisition, expansion, and retention. There is a conclusion that customers have their own resources (tangible and intangible) related to customer engagement. Without their interaction, those would be inaccessible to the company. Resources are divided into four groups:

− Customer network assets: refer to the quantity, variety, and structure of a customer's personal connections inside their social network.

- Customer persuasion capital: the level of trust, goodwill, and sway a customer has with other current and potential customers.
- Customer knowledge stores: knowledge a customer has acquired about a product, brand, business, and other customers.
- Customer creativity: creation, formulation, or development of new, beneficial concepts, procedures, or problem-solving techniques.

Table 2: Customer-owned assets

Customer-owned assets	Value for the firm
Customer network assets	1. Expands the reach of engagement marketing activities 2. Brings access to powerful people from unique subgroups
Customer persuasion capital	1. Increases the influence of the content shared over other customers' purchasing choices
Customer knowledge stores	1. Enhances the relevancy and quality of the content shared through customer interaction practices 2. Helps with the creation, management, and distribution of the brand narrative 3. Improves C2C support and involvement in the development of new products
Customer creativity	1. Provides special insights into marketing functions (e.g., new product development, product usage)

Source: Harmeling et al. (2016).

The second input is customers' social media behaviors. Yesiloglu et al. (2021) distinguish between three types of engagement on a brand's social media: consuming, contributing, and creating. Consuming refers to viewing and listening to videos, audio, pictures, comments, and product reviews. Contributing refers to liking and commenting on content, following the company's profile, cooperating in brand-related conversations, and engaging in ads. Creating refers to publishing brand-related posts, and writing about the company, and assessing its products and services. Different motives trigger these types of behaviors. They found that consuming brand-related content directly from brands and other people provokes enjoyment and information seeking. Motives for contributing are enjoyment, communication, supporting a company, assisting others, communication, empowerment, and reward. Motivators for creating a positive post are reward, enjoyment, aiding the company and others, communication, empowerment, and self-identity. Motives for creating

negative posts about the brand are the need to warn and empower others, and to seek compensation.

2.1.3 Throughputs

Throughputs refer to the ways in which businesses engage with customers to exchange resources and meet their needs (Li et al., 2021). There are different types of authenticity that can be used to interact with clients, customers, and the general public. Authenticity connects with the social media marketing culture that a company is a representative of. It can be more traditionally based, or it could use a more modern approach, meaning a more open, accessible, and flexible social media marketing culture (Felix et al., 2017).

Social connectedness implies how many and how strong bonds a person has on social media platforms. Social influence is significantly impacted by social connectedness. Targeting highly connected individuals can increase the success of viral marketing initiatives by eight times (Li et al., 2021)

Social interaction is connected to word-of-mouth and observational learning (Chen et al., 2011). In the social media context, social interaction is very complex as information flows in many directions and is interrelated. This is due to the fact that, on the one hand, social media has given users the ability to participate equally in interactions with businesses, and, on the other hand, C2C interactions have emerged as an increasing market force because users can influence one another's attitudes or behaviors (Li et al., 2021).

2.1.4 Outputs

Customer engagement is an indicator of how successfully a company translates social media efforts into customers who are willing to connect and create value together (Sashi, 2012). Value co-creation is the interaction between a customer and a seller. Customers move from passive audiences to active collaborators working for the company (Yu et al., 2020). Engagement in a marketing setting relates to customer-firm interaction (Pansari & Kumar, 2016).

Pansari and Kumar (2016) developed a definition of customer engagement as »the mechanics of a customer's value addition to the firm, either through direct or indirect means.« Direct contribution represents purchases by customers, whereas indirect contribution means encouraged recommendations, social media conversations about the brand, and feedback from customers. Customers' purchases aid companies in making effective resource allocations. On the other hand, customer referrals attract customers who normally would not be attracted through conventional marketing channels (Pansari & Kumar, 2016).

Sashi (2012) proposes that building an engaged customer requires the whole engagement cycle, as shown in Figure 1. The process starts with a connection, which is the basis for developing a relationship. The seller and (potential) buyer can connect both offline and online. However, connecting through social media platforms is most common these days. Social networks facilitate the development of relationships with a wide range of people and businesses. Customers can use their current relationships with sellers and other customers to meet their needs, or they can look to build new relationships with businesses and customers outside their existing network. The relationship can also be established by sellers, not only customers. Sellers can recommend products to people, or even develop new products as a reaction to answering their needs.

The second step in the process is interaction. Before the development of social media as we know it today, connections were limited to smaller groups of people from the same geographical location. These restrictions were quickly blurred with the further development of the internet and platforms. Terms like global village emerged to describe worldwide connectivity. Companies could expand the reach and scope of their customer interactions (Sashi, 2012).

Satisfaction is followed by interaction if the interactions between sellers and customers keep going on. In fact, some have claimed that the purpose of marketing is not customer satisfaction, but rather consumer empowerment through alliances with sellers that allow customer groups to jointly create new products based on their wishes. Nonetheless, satisfaction is fundamental for customer involvement, but it is not the only requirement for successful customer engagement. Satisfaction during the process might come before or after the actual purchase of a product, and dissatisfaction can cause customers to leave. In contrast, satisfaction may not lead to repeat purchases or a loyal relationship (Sashi, 2012).

The next phase in a customer engagement cycle is retention. Retention can be the result of long-term satisfaction or really positive feelings. Therefore, long-lasting relationships without emotional ties or emotional ties without a long-term relationship may both contribute to retention (Sashi, 2012).

Commitment is also part of the cycle. It refers to the commitment to a product, brand, or company (Sashi, 2012). Gustafsson et al. (2005) distinguish between affective and calculative commitment. The latter is more pragmatic and comes from a lack of other options or high switching costs. Affective commitment is more emotional and based on trust in the relationship.

Customers who are happy with a product, brand, or business may choose to keep their happiness to themselves or, in today's connected world, interact with others in their social networks to share their experiences. This is called advocacy and is a stage in the cycle. Affective commitment is positively correlated with word-of-mouth advertising. However, calculative commitment is not (Gustafsson et al., 2005).

Last but not least, the cycle is concluded with customer engagement. Engagement requires both satisfied and loyal customers. In other words, affective and calculative commitment are necessary for customer engagement. When sellers and buyers have close emotional bonds, customer engagement exists. Engagement broadens the scope of the customer's function. They become co-creators in the value-adding process. Adding value improves both buyers' and sellers' demands, especially as those needs evolve over time. Engaged customers expand their networks as they interact with others, acting as brand ambassadors for the seller. Customers that are engaged become fans who advocate for the product, brand, or company (Sashi, 2012).

An engagement cycle is created when the exchange relationship between the seller and customer, as well as among customers, becomes more relational and the emotional ties grow stronger (Sashi, 2012). The whole described customer engagement cycle can be seen in Figure 1.

Figure 1: Customer engagement cycle
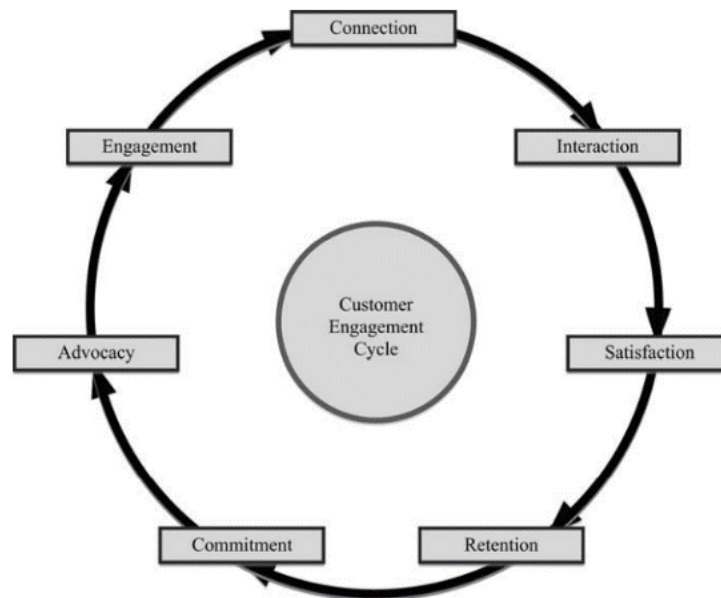
Source: Sashi (2012).

Throughout time, managers realized that in order to keep a customer satisfied and profitable, it was necessary to evolve loyalty and satisfaction to a higher degree and with financial aspects. Businesses' goals changed from relationship marketing to consumer engagement. To generate sales and ensure long-term profitability, companies have been gradually shifting their focus away from selling towards emotionally engaging with their customers. To put it another way, a company's focus is turning towards customizing interactions, pleasing its audience, and figuring out customers' specific concerns in order to improve their lives and include them as the company's delegates (Pansari & Kumar, 2016).

Figure 2: The evolution of customer engagement

Source: Pansari & Kumar (2016).

2.2   Social Media as a Marketing Tool

Social media can be defined by two terms, Web 2.0 and user-generated content (UGC). The concept of Web 2.0 appeared when the usage of the internet shifted from just viewing the content that was published by individuals to continuing to provide it with the collaboration of all participants (Kaplan & Haenlein, 2010). Similarly, Murugesan (2007) suggests that Web 2.0 is more interactive than its predecessor, Web 1.0. It allows users to both, view and contribute content on the internet. Likewise, it emphasizes peer social interaction and collective knowledge and opens new options for leveraging the Web and engaging its users more effectively. It establishes social networks of people with common interests. Furthermore, Web 2.0 makes it simpler for developers to create new Web applications based on data or services available online (Murugesan, 2007).

The power of social media is such that the number of active social media users is predicted to reach 4.89 billion by 2023, accounting for roughly half of the world's population. The leading social media platform based on the number of active users is Facebook, consisting of 2,910 million active users. With 2.562 million active users, YouTube is not far behind, followed by WhatsApp with 2.000 million active users, and Instagram with 1.478 million active users (Statista, 2022). The United States and China are the leading markets for social media advertising, spending more than 80 billion U.S. dollars. The closest following country is the United Kingdom, spending around 12 billion U.S. dollars (Statista, 2022). The increase in the number of users (2017–2027) can be seen in Figure 3.

Figure 3: Number of social media users worldwide, 2017–2027
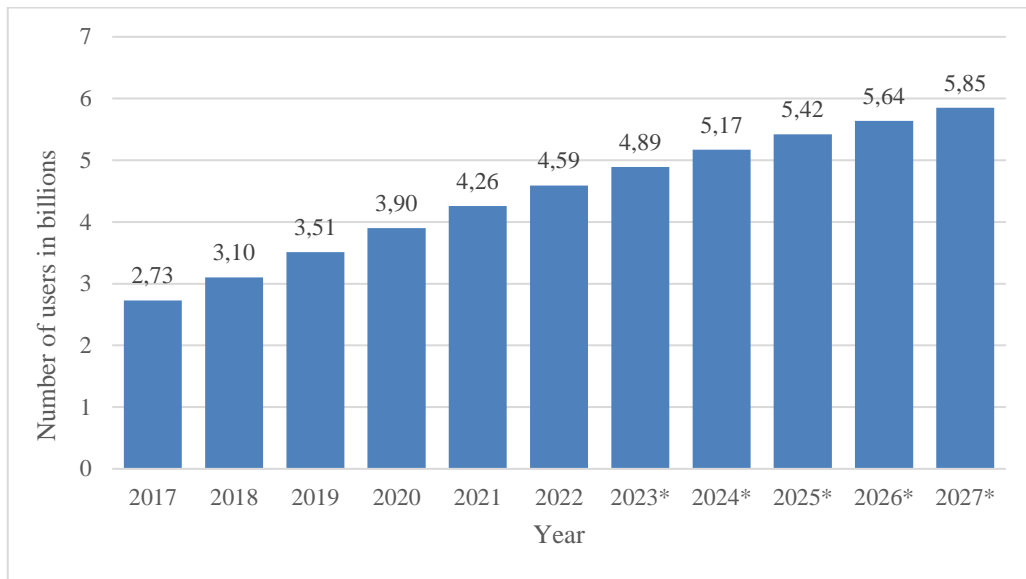
Source: Statista (2022).

Managers are trying to profit from the numerous interactions users of social networks have, and gain economic value (Yadav et al., 2013). Understanding how technology makes it simpler for people to interact on their social networks and how businesses can benefit from understanding people's activities on the internet is the goal of marketing. Therefore, marketing strategy needs a shift to a more socially collaborative approach in which customers interact with each other and the content provided by the company (Dolega et al., 2021). Social media marketing is one of four business activities that, together with enterprise management, technology support and integration, and management and organization, form social commerce (Martínez-López, 2021).

2.2.1 Benefits of Social Media Marketing for Companies

The use of social media for marketing purposes and investing in presence of social platforms expand strategic opportunities for companies. Brands can use social media as a tool to identify trends among their stakeholders (Bochenek & Blili, 2013). Creating better targeting campaigns, interacting with customers, using the platform to promote direct sales, and learning how consumers view and value a certain brand are all benefits of using social media (Vinerean, 2017).

Kaske et al. (2012) highlighted that social media marketing efforts result in higher customer retention and better customer communication. In addition, social media stands out as a more creative and cost-effective communication medium when compared to traditional ones, such as TV, radio, and newspaper. Social media allows users high levels of involvement and

individualization. Furthermore, companies offer the desired information promptly and efficiently. In the same way, they receive feedback from consumers (Alalwan et al., 2017).

Results from Parveen et al. (2016) study demonstrate that social media use significantly positively influences a company's performance in terms of cost savings, greater customer interactions, and increased information accessibility. Utilizing social media has helped companies improve customer interactions and customer service while lowering marketing and customer support costs. By giving customers direct access to information, they would have otherwise had to call or email, customer relations are improved. Additionally, it has made it possible for businesses to access data on their clients and competitors more easily. Companies get to know their needs more efficiently and quickly. The outcomes also showed that social media use had a favorable impact on the organization's entrepreneurial approach.

Oyza & M. Edwin (2015) mention a few benefits of using social media as a marketing tool. These include improved sales, increased exposure, growing business connections, generating leads, reducing marketing costs, improving search engines, increasing traffic, providing market knowledge, and loyal customers. According to Frankwatching (2022), marketers said that the leading benefit of using social media for marketing purposes is increased exposure. Increased traffic is not far behind, followed by generated leads and the development of loyal fans. Other benefits include improved sales, marketplace insight, and growing business partnerships. The leading benefits can also be seen in Figure 4.

Figure 4: Leading benefits of using social media for marketing purposes worldwide as of January 2021
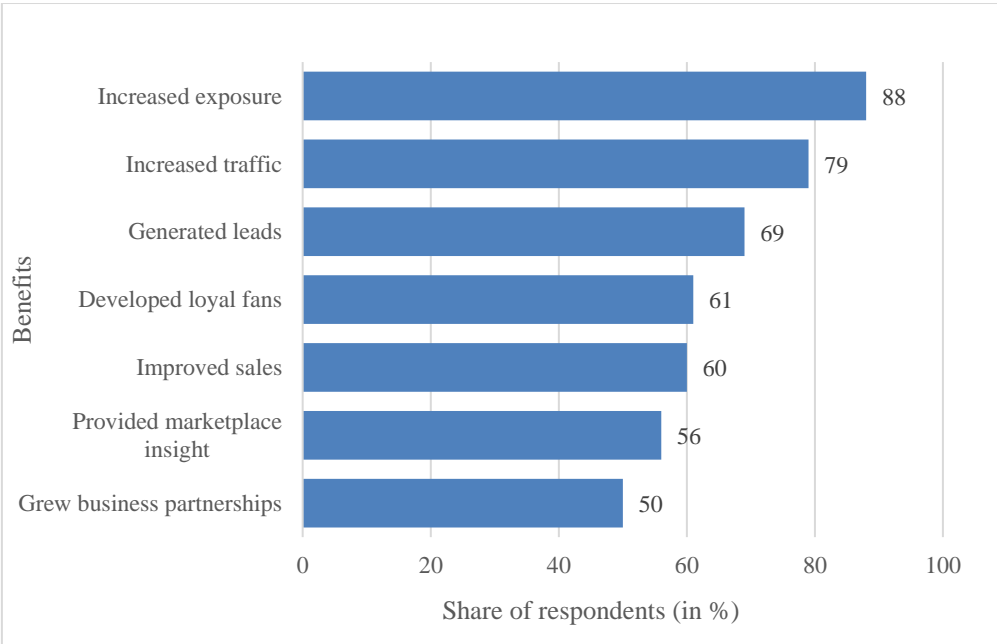
Source: Frankwatching (2022).

2.2.2 Challenges and Opportunities for Marketing Managers

In the last decades, the flow of power between buyers and sellers has been affected by changes in how customers access information and how marketers collect, and use gathered data. Power has shifted from marketers to consumers due to different factors. One of the prevailing reasons is technological advancements that enable a wide range of buying options and easier comparisons between products and services (Ferrell et al., 2021). Customers are very demanding and can access information anytime, from anywhere (Hofacker & Belanche, 2016). Most consumers now begin their purchase research online, avoiding the need to visit a physical store (Ferrell et al., 2021), which implies a lower cost of search (Hofacker & Belanche, 2016). Consumers have greater control in many circumstances, but marketers are recovering power through incredibly advanced data gathering and analytics. Understanding customer preferences and purchasing behaviors used to be a tough and expensive endeavor for marketers. Nowadays, data analytics pervades marketing. Consequently, marketers have insights into numerous actions people take on the internet (Ferrell et al., 2021). Similarly, due to enormous amounts of data and increased power from customers, companies need to become more agile and adapt to reactive marketing. This means processing a huge amount of data and using it as an asset to better understand customers, recognize their trigger events, and use it in a decision-making process (Hofacker & Belanche, 2016).

As the range and availability of products and services skyrocketed, marketers were exposed to competitors from all over the world. At the same time, the necessity for thousands of the same products has decreased, altering how marketers blend together retail and online businesses (Ferrell et al., 2021). Companies can adjust to linking social networks with other traditional channels, as social media has evolved into a channel for consumption and post-consumption. Therefore, adjusting to the changing customer purchase journey is very important (Hofacker & Belanche, 2016).

Companies have been pushed to consider new channels to stay connected with potential consumers due to changes in media usage. Target audiences have become more fragmented because of the wide range of media options available today and the limited time we have to spend on any one of them. However, a highly fragmented audience also has a significant benefit. It is simpler to reach smaller, niche, and more focused groups (Ferrell et al., 2021). In contrast, Clarke et al. (2011) find that marketers struggle to make use of all available tools, including social media platforms, to seek and acquire customers.

A challenge on how to manage user engagement and value co-creation on the platform persists. Hofacker & Belanche (2016) suggest that in marketing activities, platform management is replacing product management. Platform management impacts brand awareness, which means building the presence of branded content on social media. Furthermore, platform management also influences brand reputation. An outstanding business reputation is an intangible asset that increases the capacity to create value and

makes it difficult for others to replicate. Social media management activities include monitoring, spotting, and reducing reputational hazards (Montalvo, 2011).

An important challenge for marketers is to develop an overall social media strategy and assess the effectiveness and outcomes of social media activities. Moreover, marketers seem to struggle to translate the obtained data into something useful. On the company level, they find it challenging to coordinate social media initiatives across the company's departments (Oyza & M. Edwin, 2015).

2.3 Developing a Social Media Marketing Strategy

Mergel (2016) insists that several questions must be answered when creating a social media strategy. Firstly, a company needs to set a mission based on objectives and create a communication plan. Furthermore, it's important to know what type of content a company will share, what its source will be, and the criteria for content review. In countinuation, a company should define roles and tasks involving social media activities. For content creation, there is typically personnel on a strategic level who are responsible for generating ideas, such as campaign planning, and then also analysing the results and interpreting them. Of course, there would be no content without content creators and providers (Mergel, 2016).

Specifying the target audience and segmenting them based on their characteristics is another part of developing a strategy. When segmentation is done, the company should find the most appropriate platform to ensure access to target audiences. What is more, consideration of alternatives to reach the target groups is in order. Additionally, a company needs to create a social media presence that is approved and aligned with its values. In order to establish consistency and uniformity of appearance, online etiquette should be determined (Mergel, 2016).

2.3.1 Social Media Marketing Strategy Framework

In the research from Clark et.al (2011), a social media marketing framework was developed to enhance the usage of social media for marketing purposes. The first stage is to plan. It is the base layer for all the following steps. Similarly, as Mergel (2016) stated, it starts with mission and objective setting. A comparable approach is used by Clark et al. (2011) who propose setting objectives and, additionally, considering their evolution through time and how they can be financially supported. Social media objectives are similar to marketing objectives, so there are no specific ones just for social media strategy. The most frequent goals identified by Clark et al. (2011) include gaining customer insights, increasing customer loyalty, increasing success of new product launches, generating customer leads, decreasing cost of customer acquisition, fostering market research and support, fostering innovation, gaining customer feedback, and improving knowledge of customer and product support. Following online discussions regarding the industry, brand, or product can yield a large

amount of insight at a very low cost. That is why monitoring is an important step, as it helps understand the perceptions of the customers. By monitoring, companies can identify suitable influencers for their products (Clark et al., 2011), learn from customers, and predict trends (Montalvo, 2011). Engage is the third phase in establishing a social media strategy. The company shifts from a passive position to an active participant. They comment, answer, and participate in discussions with influential individuals and customers. However, the guidelines for online behavior need to be discussed prior to that, according to the objectives set in the first, planning phase. Furthermore, as discussed above, clearly defined roles and responsibilities help deploy social media models successfully (Clark et al., 2011). Clark et al. (2011) believe that managing the creation of content will be at the core of marketing in the future. Hence, managing is the fourth stage. Marketers must come up with innovative and novel strategies to attract buyers, while also acknowledging the change in power dynamics that social media is bringing. It might be difficult to make content accessible in the appropriate format and across all platforms for consumers to reach it at any time. Measuring is the following step. As already mentioned, measuring the impact of social media activities is hard to define. The whole approach to selecting metrics and determining their value is still not well-developed. Metrics that can be measured include brand exposure (e.g., views on the Facebook page), audience connections (e.g., Instagram followers), audience engagement (e.g., brand mentions), and audience conversations and referrals, which require more sophisticated website analytics technologies (Clark et al., 2011). Finally, integration connects the previous steps to attain a uniform social media strategy. This strategy is intertwined with other strategies, such as customer service, customer communication, and product development strategies. All must support the company's vision and goals. In the end, they are all integrated into the overall marketing strategy (Clark et al., 2011). The SMS framework can be seen in Figure 5.

Figure 5: The social media strategy framework
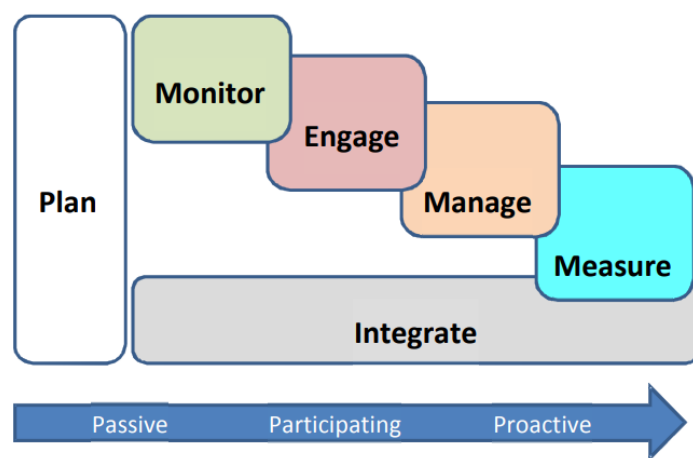
Source: Clark et al. (2011).

2.3.2 Measuring Return on Investment (ROI)

The link between profit and the investment that delivers that profit is known as the return on investment (ROI). It is extensively used to assess the degree of an investment's success or failure. When establishing ROI for social media, the characteristics of traditional ROIs cannot simply be transferred to a social media context. Some aspects need to be considered before forming a measure that will reflect the success of an investment's performance. For example, ROI ignores the influence of brand equity in the long term, resulting in the possibility of underestimating the financial benefits social media has. Therefore, inaccurate forecasts for the future may be structured. Moreover, data about financial performance is usually more important for senior management. However, financial return is not the sole measurement that management should rely on. Marketing efforts also need to be defined by non-financial indicators (Kaske et al., 2012). Many authors have highlighted that the ROI of social media marketing cannot be quantified in financial terms. A more appropriate approach is to analyze consumer behavior on a specific social media platform. Proposed indicators include a change in brand awareness, electronic word-of-mouth, customer engagement (likes, comments), etc. Of course, the measures need to be set in line with the objectives of the company (Rana et al., 2020).

Brand awareness is the degree to which consumers and potential consumers are aware of your company and its products. Their opinion is ideally favorable about the characteristics that set the product apart from its rivals (Carol, 2022). Similarly, it's related to the consumer's capacity to recall or recognize a brand under various circumstances (Keller, 2009). Brand awareness can be measured by impressions, reach, engagement rate, brand mentions, share of voice, and audience sentiment. Impressions measure how many times the content has been viewed (Keyhole, 2020) and the completion rates (Martínez-López, 2021). On the other hand, reach measures the number of viewers for our content. Engagement rate refers to how keen people are to engage with our content, which includes likes, comments, and shares (Keyhole, 2020). Other metrics are the number of times the brand is mentioned, the number of followers, the number of page views, number of reviews posted, and the number of views of a piece of content (Lal et al., 2019). Data confirms that people are spending more and more time on social media. Though, it is easier for brands to stay at the top of the minds of (potential) customers. The higher the brand awareness, the higher its impact on purchase intention (Arli, 2017).

Customer engagement was already discussed in Chapter 1.1.4 as an output of social media marketing strategy. However, the metrics that can be used for measuring customer engagement include the number of followers, the number of comments, the amount of user-generated content, the length of the reviews, the ratio of likes, the ratio of comments, and the ratio of reposts. The ratios are all in relation to the total number of followers (Lal et al., 2019).

Electronic Word-of-Mouth (eWOM), happening in an online environment, is electronic word-of-mouth (Lee & Youn, 2009). Classical word-of-mouth refers to the unplanned spread of positive or negative information that is driven by the need to create and retain social connections (de Oliveira Santini et al., 2020). When the information goes from user to user, it apparently resonates because it seems to originate from a reliable source, away from the business it refers to (Oyza & M. Edwin, 2015). eWOM has some special characteristics that differ from classical word-of-mouth. Normally, it happens between individuals who do not know each other. Sometimes, this relationship can even be anonymous, which gives people more confidence to express their opinions and preserve their identity. In contrast, anonymity can also bring a lack of credibility, making it hard for consumers to assess the quality of recommendations (Lee & Youn, 2009). A study by Meuter el al. (2013) compared traditional word-of-mouth (WOM) and word-of-mouth through social networks (eWOM). Businesses have recently put a lot of effort into integrating social media approaches into their marketing activities related to eWOM. Researchers found that the traditional WOM with personal connection is still more influential than the eWOM. In spite of the market's increasing focus on social media technologies, businesses should still be encouraged to promote interpersonal WOM. Moreover, the study found that the quantity of recommendations received is less important than the channel through which they are given. Furthermore, the higher volume of favorable eWOM did not result in more positive customer attitudes (Meuter et al., 2013). Lal et al. (2019) summarized the metrics encompassing the number of references to other media, the number of reposts, shares, incoming links, citations on other sites, tagging, number of reviews, etc.

Kaske et al. (2021) suggest that an important measure of social media effectiveness is also Customer Lifetime Value (CLV). CLV focuses on the importance of customer retention and profitability. It is calculated as the present value of net contribution connected to purchases divided by transactions over a lifetime (Weinberg & Berger, 2011). Similarly, CLV is an applicable measure when a company wants to maximize the profitability of a customer over a longer period of time (Pansari & Kumar, 2016). Higher CLV results in a rise in total customer equity. The return on marketing investment is calculated as the difference between the growth in customer equity and the cost of the marketing investment (Kaske et al., 2012). Weinberg & Berger (2011) propose a broader measure above the traditional CLV to encompass the effect a customer's network or connections may have on purchasing decisions. As we know, on social media, consumers can influence other customers' buying intentions. Because of this, the lifetime value should also consider this connected impact. »Connected« Customer Lifetime Value (CLLV) measure considers the value of the present net contribution resulting from a customer's purchases plus the present value of the net contribution resulting from that customer's influence on another customer.
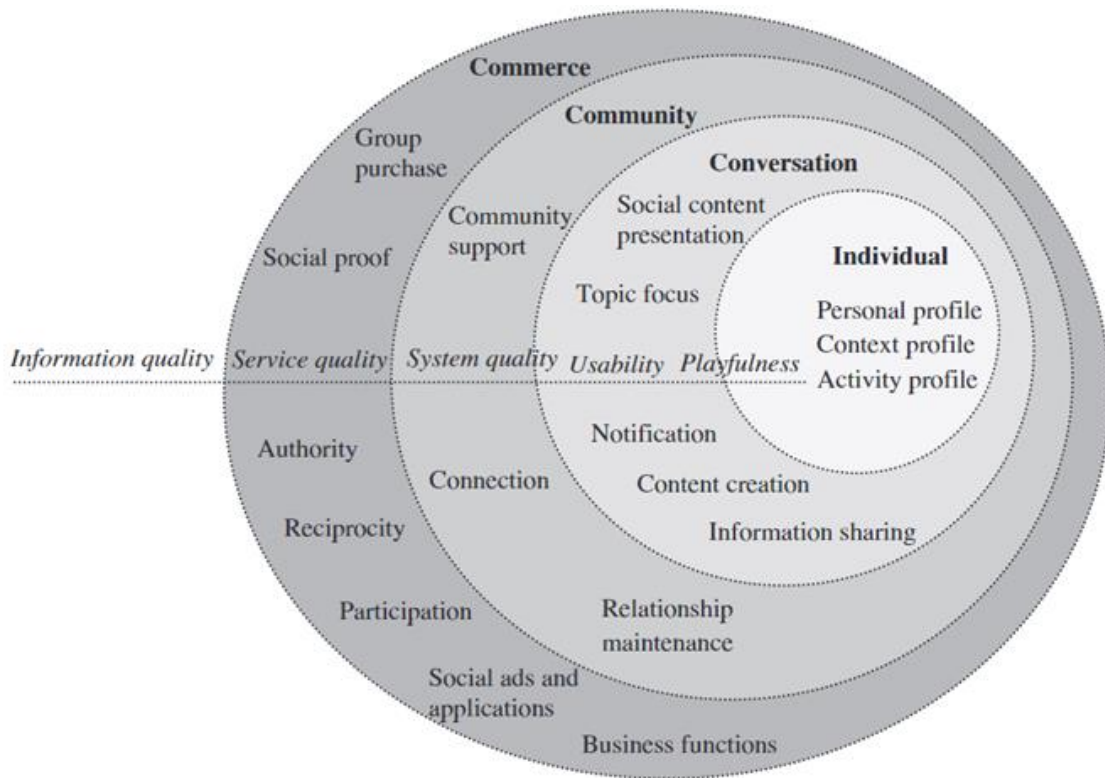
3   SOCIAL COMMERCE

Social commerce (hereafter, SC) is a relatively new concept that started to increasingly develop with the emergence of social platforms, such as Facebook and Instagram. Taking a look at the historical timeline, it all started with the internet's invention in the year 1970 and, in continuation, with its commercialization. The roots of S-commerce go back to 1990, when Web 2.0 appeared and fostered e-commerce opportunities (Boardman et al., 2019). Using network effects to attract users, learn from them, and grow from their contributions is the main characteristic of Web 2.0 (Zahay, 2021). Yahoo was the first one to use the term »social commerce« in 2005 when it added a function to its online platform that allowed its customers to share and comment on products (Wang and Zhang, 2012). Despite the fact that social commerce was first described in 2005, the year in which most new social features developed was 2007. To facilitate consumer collaboration and socialization, only eBay has introduced seven new social features. For example, eBay also established blogs to help with content creation, allowing users to exchange images and write articles (Gonçalves Curty & Zhang, 2013).

Social commerce refers to e-commerce business operations that take place exclusively on social media platforms (Gonçalves Curty & Zhang, 2013; Liang & Turban, 2011). It transformed the landscape of businesses. Not only that, but it represents a transfer of power from businesses to individuals. It refers to the ability to shop for products through social media platforms. It has evolved into a place where users can explore and buy products without even leaving the application (Marsden, 2010). There are two types of social commerce. First are the websites that make use of Web 2.0 capabilities (such as Amazon) and help users create content. However, this type of interaction limits user interaction because there is no possibility to send messages to other users or tag other people. The second type is social networking sites that make use of e-commerce tools. These platforms give users ways to interact and connect with others, which increases their willingness to start co-creating value. They do so by sharing their experience, and knowledge, and contributing their own content (Rana et al., 2020).

The goal of social commerce is to sell products through social media. One of the main purposes of social commerce is to take advantage of social network interactions for economic gain. These benefits can be quantified by two variables, namely transactions and customer loyalty. An increase in either of these two means a commercial benefit (Liang et al., 2011). Activities happen online and offline, from a customer's and a company's perspectives. Li et al. (2021) argue that in the social commerce strategy, actions that a firm takes are more transaction-oriented compared to the other three types of SMMS. Therefore, they suggest there is less engagement as customers are more passive. In contrast, Lin et al. (2017) insist that product reviews shared via social media imply that s-commerce is a more social and interactive approach to content creation than typical online marketplaces because individuals are active in the information exchange. Martínez-López (2021) explains that social commerce is constituted by four layers: individual, conversation, community, and

commerce, as seen in the Figure 6. Furthermore, Martínez-López (2021) argues that every s-commerce activity should include all four layers.

Figure 6: The conceptual model of social commerce

Source: Huang & Benyoucef (2013).

E-commerce typically considers just individuals, while social commerce also considers community that is built up through conversation (Huang & Benyoucef, 2013). Another perspective on what distinguishes e-commerce from s-commerce is the channel a person uses for obtaining information and, most importantly, carrying out transactions. S-commerce means consumers can do the whole shopping process through social media, from discovering and exploring the product or service to the checkout point. S-commerce, unlike e-commerce, is distinguished by a high level of engagement (Busalim & Hussin, 2016).

Current research from Hugh Fletcher (2022) found that 56% of consumers worldwide prefer to finish transactions on social media. E-commerce means making a purchase through a website or application devoted strictly to commerce.

However, social commerce encompasses a wide range of commercial activities that might aid consumers' product evaluation and shopping decisions (Liang et al., 2011). Marsden (2010) defined social commerce as the monetization of social media with the help of e-

commerce, including social media as an important supportive factor for social interaction and user contribution (Figure 7).

Figure 7: E-commerce, social commerce, and social media

E-COMMERCE

Buying and selling products and services online

SOCIAL COMMERCE

The monetization of social media with e-commerce

SOCIAL MEDIA

Online media supporting social interaction and user contributions
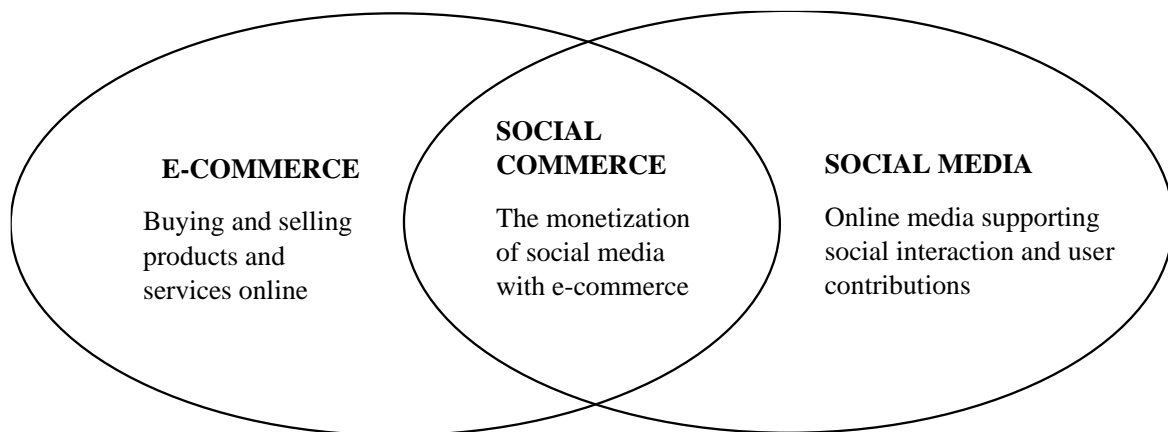
Source: Marsden (2010).

The definitions of social commerce have evolved throughout time, as we can see in Table 3. After the literature review, the most frequent term that appears throughout the whole evolution is »interaction«. If an explicit word is not used, it is described in the sense of connecting users on a certain platform and also communicating between individuals and companies.

The first half of the definitions include the term »online« which shows that beforehand, such interactions were not common in the online environment. In the next few years, definitions focused on the usage of new technology, the engagement of users, and the benefits it brings to companies' marketing objectives. The term »social media« is mentioned four times, »Web 2.0« three times, and the word »marketing« two times.

The recent definitions mention the new role customers have in influencing others' buying intentions and the exchange of information. The definition from Algharabat et al. (2019) stresses the development of social commerce as a cause of social media marketing, which demonstrates that social media marketing is closely linked to social commerce.

Table 3: Evolution of social commerce definition

Definition	Reference
»More fully, social commerce is a subset of electronic commerce that uses social media, online media that supports social interaction and user contributions, to enhance the online purchase experience.«	Marsden (2010)
»Social commerce is an emerging trend in which sellers are connected in online social networks and sellers are individuals instead of firms.«	Stephen and Toubia (2010)
»Social commerce involves using Web 2.0 social media technologies and infrastructure to support online interactions and user contributions to assist in the acquisition of products and services.«	Liang and Turban (2011)
»Social commerce can be briefly described as commerce activities mediated by social media. In social commerce, people do commerce or intentionally explore commerce opportunities by participating and/or engaging in a collaborative online environment.«	Curty and Zhang (2011)
»Social commerce is a form of commerce mediated by social media and is converging both online and offline environments.«	Wang and Zhang (2012)
»Social commerce is doing commerce in a collaborative and participative way, by using social media, through an enterprise interactive interface that enables social interactions.«	Baghdadi (2013)
»Social commerce refers to exchange-related activities that occur in, or are influenced by, an individual's social network in computer-mediated social environments, where the activities correspond to the need recognition, pre-purchase, purchase, and post-purchase stages of a focal exchange.«	Yadav et al. (2013)
»The current development in e-commerce opened a new stream, entitled social commerce, which is using social technologies to create an environment for generating social interactions. These social interactions can drive online social support in e-commerce, which in turn is creating trust and an increased intention to use social commerce.«	Hajli (2013)
»In a broad sense, social commerce involves the use of Internet-based media that allow people to participate in the marketing, selling, comparing, curating, buying, and sharing of products and services in both online and offline marketplaces, and in communities. Social commerce has received a lot of attention for shaping emerging commercial channels on the Internet. Many e-retailers are taking advantage of social technologies and services to expand their businesses. Since social media have become readily accessible, more consumers use it as a source of information about companies, brands, products, and services.«	L. Zhou et al. (2013)

Table 3: Evolution of social commerce definition (cont.)

Definition	Reference
»Social commerce, a new stream in e-commerce, highlights the role of technological advancements to develop a new social commerce era. In social commerce era, individuals share their knowledge, experiences, and information about the products and services with peers, providing a supportive environment in an online context.«	M. N. Hajli (2014)
»Economic implications in the form of product sales through social interaction of individuals must now be taken into account by businesses. This has seen the emergence of social commerce, an important evolution in e-commerce.«	N. Hajli and Sims (2015)
» […] social commerce activities combine both commercial activities and social activities.«	Busalim and Hussin (2016)
» […] social commerce involves a variety of commercial activities that are able to assist in consumers' pre-purchase product evaluation, shopping decisions, and post-purchase behaviors. Social commerce can serve as a business strategy for enterprises to manage their business.«	Lin et al. (2017)
»By taking advantage of social networking capabilities, social commerce provides features that encourage customers to share their personal experiences.«	Han et al. (2018)
»Social commerce (s-commerce)—the use of social media to support electronic commerce.«	Hu et al. (2019)
»As one of the main privileges of Web 2.0 applications, social commerce is a new trend accelerated by the revaluation taking place over the social media marketing area. This has contributed several utilities such as it enhances customers' ability to establish a product's content, to provide social support, to share information, to rate and review customers' opinions, and to recommend brands.«	Algharabat et al. (2019)
»Social commerce platforms provide an interactive communication channel for organisations to take opportunities to enrich engagement and interaction. Social commerce platforms are virtual platforms that enable users to share their experiences and information and express themselves socially.«	Yu et al. (2020)
»Web 2.0 applications and social media have transformed e-commerce into a new business paradigm, which is called social commerce. This development has changed the customers' role and has empowered them by placing them in a unique position for influencing other buyers and providing guidance in purchasing decisions.«	Busalim et al. (2021)

Source: Own work.

3.1   Social Commerce Ecosystem

The social commerce ecosystem is quite complex, as seen in Figure 8. Users are people who spend time on social media interacting with others, exploring products, and engaging with the content. Users can translate these activities into purchases, which is called social commerce. The next pillar includes influencers, creators, and resellers. They share the desire to influence purchase decisions through their actions. Influencers are opinion leaders with a well-known and developed personal brand. They exploit their position to inspire their followers to take action on social media. Their expertise is in attracting and keeping their audience's attention. Creators are producing content in an innovative way to influence purchasing decisions. Resellers focus on persuading people to buy products or services from their networks. However, they do not create any content but try to make transactions through their personal connections. Small brands operate independently and develop products or services without access to widespread distribution through conventional channels of distribution, mostly due to limited resources. Selling through influencers, creators, and sellers expands reach and gives access to markets they could not otherwise reach. Third-party commerce enablers are organizations that offer services to complement the social commerce experience. There are a lot of tools that enhance the user experience (e.g., Linktr.ee), offer payment alternatives (e.g., PayPal), or assist operations and logistics (e.g., Shopify). Big Brands are brands known worldwide that have previously been distributed through conventional retail channels. Furthermore, a platform is a space whose main purpose is to link users and encourage the sharing of content and experiences. Retailers are companies that sell products through their physical stores or their e-commerce platforms (Accenture, 2022).

Figure 8: Social commerce ecosystem
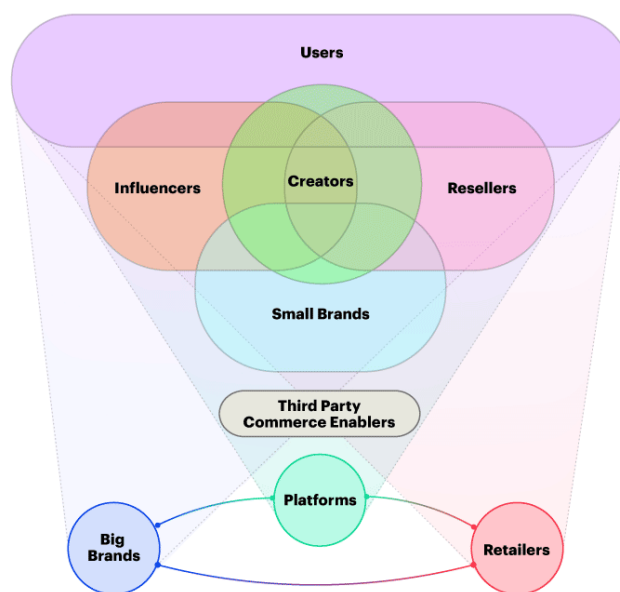
Source: Accenture (2022).

3.2 Factors Influencing Social Commerce

3.2.1 Social Support

An individual's experiences of being looked after, heard, and assisted by members of their social group are referred to as social support. Since social support may make someone feel loved and understood, it can also be seen as the ability to meet one's psychological needs. When social support is present on online social networking sites, members share suggestions and other useful information with other members (Liang et al., 2011). The intention to engage in such activities may be further increased by the regular exchange of encouraging information that fosters friendship and trust among members (Liang et al., 2011). Similarly, people typically join online groups to exchange useful information and for social support. Additionally, social connections between people on social media help and help influence their purchasing decisions (M. N. Hajli, 2014). Social commerce encourages support and, hence, the contribution of the users (Hu et al., 2019). Social support has two dimensions: emotional and informational (Lin et al., 2019). Emotional support is received when a message from people on social networking sites includes emotional aspects (empathy, care, and understanding). On the other hand, informational support is achieved when the message from the social networking site is useful and provides the requested assistance (Liang et al., 2011).

3.2.2 Relationship Quality

Relationship quality refers to the quality of the bond between a provider and a customer. In other words, it is the customer's overall assessment of a service provider (Liang et al., 2011). It is one of the most important factors influencing customer loyalty, customer buying intention, and customer retention (Hajli, 2014). Relationship quality encompasses trust, commitment, and satisfaction (Liang et al., 2011).

Trust. Due to the high level of uncertainty in social commerce, trust refers to as one of the most crucial components (Akman & Mishra, 2017). In social commerce platforms, where there are fewer face-to-face interactions and a greater amount of user-generated material, trust is a critical concern. Trust is the belief in the other party's capacity and willingness to ensure that the business complies with the relationship rules, keeps its commitments (Yahia et al., 2018), and provides transparent and accurate information (Hu et al., 2019). Busalim et al. (2019) distinguish between trust towards members of a community and trust towards social commerce, which both importantly contribute to social commerce and were found to be positively correlated. Lin et al. (2019) believe that trust in social commerce consists of trust in technology and trust in people. The technology dimension consists of trust in social media, trust in e-commerce sites, and trust in social commerce features. Furthermore, trust in people is attributed to consumers, who represent social commerce's main engine and

source of economic value. One component of trust in customers is the subjective opinion of other customers about the trustworthiness and reliability of content they have shared.

Commitment. It means the attemps that are used to keep the relationship between a customer and a provider of social commerce (Liang et al., 2011). Communication among community members fosters a positive perception, which in turn inreases commitment to a group (Busalim et al., 2019).

Satisfaction. Refers to the overall assessment of interactions with a provider (M. N. Hajli, 2014).

3.2.3 Social Commerce Constructs

Social commerce constructs are the constructs that drive social commerce and consist of three dimensions, namely rating and reviews, recommendations and referrals, and forums and communities (N. Hajli, 2015).

Ratings and reviews. Through unbiased opinions and experiences, reviews enable users to share product feedback and influence and ease each other's decision-making. Reviews can be given by any customer or by an expert and can be posted directly to an e-commerce site or on a review site (Marsden, 2010). However, N. Hajli (2015) asserts that third-party reviews are growing and reducing the need for advertising. Customer testimonials, which are similar to customer reviews but less formal endorsements, are frequently posted to social media or e-commerce websites. There are also sponsored reviews, which can become controversial for trust (Marsden, 2010). Incorporating social media into e-commerce motivates customers to post reviews online. These reviews are perceived as electronic word-of-mouth. Customers frequently read these reviews and utilize them to assess goods and services, which can shape their purchasing attitudes and result in behavioral changes. Therefore, user-generated content plays an important role in the purchase decision-making of customers (Lin & Wang, 2022).

Recommendations and referrals. An important aspect of social commerce is referring, which is the foundation of marketing principles (Yadav et al., 2013). Typically, they are a more personalized endorsement for products, not visible to all. They are aimed at realizing the referral value of customers and experts (Marsden, 2010). Sales that are generated from referrals are relatively cheap for a company and highly effective—they have one of the best conversion rates. In contrast, it is hard for companies to obtain those highly beneficial referrals. Customers that buy products based on referrals are very important because they show self-interest in a company and become leads for a brand by taking different actions, such as following on social media and subscribing to email newsletters (Efti, 2021).

Forums and communities. These help members discover new products, get feedback from customers, and help to make a final selection in an environment that is centerd around a

specific theme (Marsden, 2010). Forums and online communities encourage people to interact with one another and engage in a variety of group activities through social media or other applications (N. Hajli, 2015).

3.3 Driving and Influencing Buying Intentions in Social Commerce

There is a psychological background that can explain why some consumers identify with some brands more than others. Cho and Son (2019) investigated how social connectedness influences the adoption of social commerce in apparel shopping. The findings show that social connectedness increases social media users' perceptions of social commerce's versatility and usability, leading to a favorable perspective towards social commerce and consumer willingness to utilize social commerce for shopping. Another finding is that social media users who feel connected to other users are more likely to regard social commerce as user-friendly, helpful, and pleasant. Moreover, social connections on social media support users in establishing positive relationships with brands, which leads to good attitudes towards adopting social commerce for purchasing apparel. These conclusions suggest that retailers should further develop features to boost social connectedness and engagement between users. Furthermore, the findings imply that social connectedness in social commerce may be enhanced through online social capital and a sense of belonging in a community. Social support, which refers to the care peers show for one's prosperity, is one of the key aspects of customer loyalty (Cho & Son, 2019). Liang et al. (2011) emphasized that when social support in a certain social media environment exists, it's natural for community members to share information and suggestions. When a user believes that other members have been compassionate and helpful in offering beneficial information, obtaining and sharing valuable knowledge with others becomes a must. Good relationship marketing leads to an increased quality of relationships, which can result in better customer loyalty.

3.3.1 Influencer Marketing

A way to have an effect (positive or negative) on purchasing intentions is influencer marketing. Influencers are opinion leaders who are paid to generate positive eWOM and consequently influence customers' purchasing decisions (Choi et al., 2018). Using influencers for marketing purposes is already a widely used approach. However, it can still give companies a competitive advantage if used appropriately. The outcome of influencer marketing depends on the relevancy of the influencer's personality and fit into a company. What is more, the company needs to know what kind of audience follows the influencer to make sure the intended audience is targeted (Zak & Hasprova, 2020). Influencers have significant value for companies because they reduce marketing costs and expand business opportunities (Choi et al., 2018). In contrast, influencers' activities can have the opposite result. Some personalities tend to accumulate bad publicity over time. The biggest danger of influencer marketing is associating a brand with a persona that is involved in controversies and generates excessively negative feedback (Zak & Hasprova, 2020). A survey from Zak

& Hasprova (2020) found that some respondents refused to buy a certain product after being promoted by such influencers, even though they meant to buy it before. A study by Lou and Yuan (2019) found that the credibility of the information and brand awareness are related. It is feasible that influencers are qualified to effectively market products due to their competence in a particular field.

3.3.2   Live Shopping

Live shopping is currently the most active form of social commerce. Companies utilize live-streaming to present and promote products to potential customers. The information exchange is instant, allowing consumers to get answers in real time (Sun et al., 2019). Consumers with similar interests join the live event and can communicate with other participants as well as with the presenter (Yan et al., 2022). Moreover, live shopping reduces the risk of online shopping as the communication between the seller and consumer is more genuine (Sun et al., 2019). Besides, influencers are used to showcase products on e-commerce platforms. They influence buying intentions by incorporating their persona into a product presentation and triggering impulsive purchases. What also facilities sales is the possibility to buy products right away by clicking the button next to the video (Yan et al., 2022).

3.3.3   Social Commerce Adoption

Customers are behaving such that social commerce is used throughout the whole purchasing process: pre-purchase, purchase, and post-purchase stages (Lin & Wang, 2022; Marsden, 2010; Hugh Fletcher, 2022). In the pre-purchase phase of the buying process, social commerce serves as an information-seeking resource. Social media offers a lot of material to learn about products and evaluate them prior to making a purchase. Information is provided by both the company and the customer. The perceived usefulness of social commerce is a factor influencing its adoption. Consumers who use social commerce features have access to more detailed product information than those who only use e-commerce. In addition to serving as a platform for user engagement and experience sharing, social commerce may also add to the information available to consumers. Furthermore, in the post-purchase stage, the customer's role shifts from information seeker to information provider. Customers actively use social media to share evaluations of the product and shopping experience (Lin & Wang, 2022).

3.4   Opportunities and Challenges for Companies to Adopt Social Commerce

According to Martínez-López (2021), there are many reasons for businesses to implement a social commerce strategy into their practices. Experts believe that it is important to have a social commerce strategy as social media has been used throughout the entire purchasing journey. Brands need to be present on social media, where their customers are. However,

not only the presence is enough; it is also the integration into a larger strategy that drives conversions (Lin & Wang, 2022).

According to Statista (2022), as of July 2022, there were 5.03 billion Internet users, and out of those 4.7 billion used social media. It is estimated that the number will increase, reaching 5.85 billion users of social media in 2027 (Statista, 2022). An important reason for the adoption of social commerce is the reach it has. Companies can easily target millions of people that can potentially turn into buyers (Martínez-López, 2021). Small firms and entrepreneurs can gain a lot from social commerce because it allows them to penetrate potentially enormous markets that were previously inaccessible to them (Accenture, 2022). They can do it in a more interactive way, communicating the values of a brand, sharing behind the scenes, and much more. People who decide to follow brands on social media indicate their loyalty to them, and that's why brands can easily catch their attention (Martínez-López, 2021). Similarly, social commerce increases traffic, boosts conversion rates, and raises the average order value. Customers are increasingly spending time on social media and its features, e.g., shops. That's why establishing a presence on social media platforms is beneficial and expands reach beyond e-commerce websites (Marsden, 2010). In contrast, the challenge brands face is intense competition due to easy and cheap entry into social media and social commerce (Han et al., 2018).

Social commerce represents a chance for businesses to adapt their business models to create a new source of earnings by monetizing social media. For example, Nike created Nike+ run club with collaborative features and performance reports. Moreover, it offers coaching from experts and support throughout the individual's running journey. So, social commerce promotes business model innovation (Marsden, 2010). On a micro level, it also stimulates the improvement of an existing product and the development of new ones based on the received consumers' feedback (Mustafi, 2010). Social media can be used as a tool for innovation and the creation of new products. In the past, gathering data for the creation of new products has taken a lot of time and effort. Today, social media may be utilized to gather consumer insights, gain knowledge, collaborate on ideas with users, and support new product launches at a very low cost (Roberts & Piller, 2016).

However, Roberts and Piller (2016) assert that companies struggle to use social media for these purposes. What is more, some companies even saw a decline in innovation. They were preoccupied with the variety of data gathered or failed to verify the information's source and credibility. Less than half of the businesses questioned employ social media during the creation of new products. It was found that only the companies that used social media across the whole development process and adapted organizational structures and processes to support product development saw the positive effects of using social media for new product development. Therefore, managers need to define the goals of such actions and set the strategy accordingly. They must decide whether their objective is to comprehend current trends and gather customer insights, collaborate with customers to discuss new ideas, or

promote the launch of new products and raise awareness among customers. Roberts & Piller (2016) divided activities into three groups that overlap:

- Listening to user-generated content and learning from it.
- Interacting with customer innovators and facilitating dialogue with them.
- Finding an audience of early adopters to generate excitement for new products and gather feedback for their improvement.

By enabling users to share their insights and opinions with others, social commerce can also aid in the post-purchase stage of the customer journey. Online word-of-mouth initiatives, for instance, can support firms in recognizing the importance of consumer referrals while growing customer loyalty (Marsden, 2010). Customer loyalty is an additional benefit a company can achieve through being transparent. For instance, replying to feedback and helping customers with specific comments (Mustafi, 2010). User-generated content management was found to be problematic. For example, positive reviews assist the company's operations. In contrast, a few people leaving negative feedback can damage the company's reputation (Han et al., 2018).

Social commerce serves as an awareness promoter. In the early stages of the customer journey, social commerce can assist consumers in finding new products. For example, discussions with online communities can be helpful in educating people about needs they might not be aware they have. Promotional content on social media and referrals help people discover new products by connecting with others whom they trust (Marsden, 2010).

Last but not least, social commerce assists in the monetization and evaluation of marketing efforts. Marketers can assess the financial value of social media marketing directly, avoiding controversial and unresolved disputes regarding reach and reputation, by making social media marketing the independent variable and e-commerce sales the dependent variable (Marsden, 2010). However, Han et al. (2018) discovered that assessing financial performance is challenging. The financial advantages that social commerce brings are difficult to evaluate.

The additional challenge for companies is not only to gain but also to maintain customers' trust. Once an individual creates a profile on social media, the site owns the user's personal data. These data can be used to form an effective marketing strategy while, at the same time, preserving the privacy of users. However, the responsibility of handling and managing such vast amounts of data poses a significant challenge for companies (Han et al., 2018). In connection with data, companies have issues overseeing the complex systems of a huge amount of data (Baghdadi, 2016).

Table 4: Opportunities and challenges of social commerce for companies

Opportunities	Challenges
Expanding customer reach	Intense competition
Increasing sales	UGC management
A better understanding of customers	Trust
Boosting product co-creation and innovation	Evaluation of financial gains
Increasing customer loyalty	Oversight of huge amount of data
Increasing authentic engagement	Data privacy
Increasing brand awareness	
Monetization of social media	
Improving evaluation of marketing activities	

Source: Baghdadi (2016); Han et al (2018); Martínez-López (2021); Marsden (2010); Mustafa (2010).

3.5 Consumers' Drivers of Social Commerce Adoption

Firstly, social commerce eases the process of buying a product. A purchase is completed on the social media platform instead of an e-commerce website. This reduces the friction between the need to use both social media and e-commerce platforms at the same time. However, practices to eliminate friction in the buying process vary across platforms (Martínez-López, 2021). In a report from Hugh Fletcher (2022), ease of purchase was in second place for online shoppers to buy through social platforms; 32% of the respondents stated this as a reason for increasing usage. On the other hand, it eases the buying process from the perspective of purchasing decisions. Shopping through social commerce assists with product selection. Consequently, it helps customers accelerate decision-making processes based on opinions from experts in the industry and peers (Marsden, 2010).

Purchasing through social media platforms makes shopping more entertaining. Especially with apparel, people enjoy sharing it with friends and family to get an opinion on a certain product. Moreover, consumers may engage with one another by sharing pictures or website links, which creates a feeling of belonging to a community (Martínez-López, 2021). Similarly, Marsden (2010) suggests that social commerce has emotional value. Moreover, shopping has always been social. People sell products to people. People shop together with other people. That's why transforming the online shopping experience into a more enjoyable and social activity brings benefits to a company.

As social commerce makes social interaction less complicated, consumers' engagement increases. Customers can easily contribute by writing reviews about products and rating them. For visitors, shopping becomes more interesting, and their trust increases. Social media content makes marketing communication more credible, convincing, and trustworthy in the eyes of customers (Marsden, 2010). Moreover, such purchasing is time-saving. Information is easily accessible; hence, purchasing decisions are quicker (Mustafa, 2010).

In a report from Hugh Fletcher (2022), access to »deals and discounts« is the leading factor (36% of respondents) in increasing adoption of social commerce by online shoppers. Moreover, getting exclusive offers (27%), more customer reviews (24%), greater product availability (22%), seeing products on real customers (31%), and more seamless payments (20%) are also reasons for the higher utilization of social commerce.

Table 5: Reasons for users to adopt social commerce

Reasons
Shorter and easier purchase process
Enjoyable, social, and interactive experience
Making the buying decision easier
Timesaving
Free, credible, trustworthy information about the products/services
Deals and discounts
Exclusive offers
More customer reviews
Greater product availability
Seeing products on real customers
More seamless payments

Source: Marsden (2010); Martínez-López (2021); Mustafa (2010); Hugh Fletcher (2022).

3.6   Social Commerce Features on Selected Platforms

3.6.1   Instagram Features

As of January 2022, Instagram was in fourth place in the world regarding the number of users (Statista, 2022). On the other hand, it was the second most used social media platform worldwide by marketers (Statista, 2022). Instagram is the network with the highest planned

increase in use for marketing purposes by marketers (Statista, 2022). It was the second platform to be shopped at, according to The Future Shopper Report (Hugh Fletcher, 2022).

According to a study from Facebook IQ: Digital Research and Insights (2019), 54% of people claim to have bought something right away or shortly after seeing it on Instagram. People use this platform to discover new trends, search for new products, and as a means of purchasing decisions. Moreover, 80% of the respondents said they use Instagram to decide whether to buy or not to buy products. 44% of respondents think that the content brands post on Instagram helps them gain additional information about their products. 87% of those polled stated that they followed a brand, went to their website, or made an online purchase as a result of getting more information on Instagram.

Instagram introduced tools that enable companies to establish an online store to sell their goods or services. Through Instagram Direct, customers can communicate with brands to ask questions and track delivery. Moreover, Instagram has recognized live-stream video commerce as a possible area of development. Shopping through Instagram launched in March 2018. The »shop now« feature allows brands to tag products in a post and include a direct link to their website so that customers may complete their purchases there (Arnold, 2018). These shoppable posts facilitate impulsive purchases because they allow customers to buy products with just one click (Boardman et al., 2019).

Instagram shopping includes a set of traits that allow users to shop for products. It includes:

– Shops. Provide companies with an engaging storefront where customers can discover products.
– Product Tags. Allow companies to tag their products from catalogue and redirects them to a website or application to finish the purchasing.
– Shop in Explore. This is a special tab in the application where customers can browse through different products and services and get to know their offer.
– Collections. A selection of products that retailers can choose from their offer to assist customers in finding the good they will suit their needs.
– Product Detail Page. A page dedicated to a certain product that displays key details about that product, such as prices and descriptions. These specifics are taken directly out of the product catalog.
– Ads with Product Tags. To expand the reach of their shoppable content, businesses may create new advertisements with product tags or boost current shopping posts via Ads Manager and the Instagram app. The conversions, link clicks and post engagement that these advertising promote (Instagram Help Center, 2022).

Currently, Instagram checkout for businesses is available only in the United States. Instagram argues that it has a plan to expand the checkout option to other countries (Instagram Checkout, 2022).

3.6.2 Facebook Features

As of January 2021, Facebook was the most used social media platform by marketers worldwide. In January 2022, Facebook was the leading social media platform based on the number of monthly users. It had 2.9 billion active users. As of November 2021, Facebook had the largest return on investment, according to marketers, followed by Instagram (Statista, 2022). According to new research, Facebook was the leading platform for online shoppers globally in 2022 (Hugh Fletcher, 2022).

A study by Boardman (2019) found that consumers of all ages follow brands on Facebook mostly to stay informed about discounts and deals. They perceive Facebook as the most practical way to have access to the offers. Researcher suggests that in order to increase engagement and return visits as well as drive purchasing behavior, firms can encourage customers to follow them on Facebook by offering discounts and offers. The younger respondents stressed financial reasons for following a brand on Facebook. They participate in giveaways or contests hoping to win the products or services, as they are more price sensitive. Therefore, holding a contest may be beneficial for the brand to enhance engagement and reach if they target younger adults. Another reason for following a brand across all ages is to stay up-to-date with new collections. For this reason, we can conclude that a company must keep its pages updated to drive engagement and boost frequent visits. Additionally, people said they also get inspiration, for example, from fashion. This emphasizes how important it is for fashion brands to take advantage of the fact that people crave ideas and post pictures and videos on this topic.

In contrast, the older a person gets, the lower their chances of following a brand on Facebook are. They don't go on Facebook to shop because they have trust issues. Furthermore, they do not want others to know where they purchase certain things, and they want to keep this data private. Another reason is that after following the brand, their feed gets saturated with the brand's posts, which gets annoying (Boardman, 2019).

Facebook Shops were launched in 2020. In the first quarter of 2021, there were one million active Facebook shops with 250 million monthly visitors. Facebook Shops enable businesses to display product cataloguess (Statista, 2022).

4   OUTDOOR INDUSTRY

The outdoor industry refers to products for activities outside, including apparel, shoes, and equipment. There is more and more interest in outdoor activities. Therefore, the market is experiencing growth (Transparency Market Research, 2021). One of the reasons for market growth is the availability of numerous advanced materials that can withstand a wide range of outdoor conditions. Moreover, practicality and comfort have improved. Better performance is also contributing to growth. In contrast, manufacturers are facing increased

costs of producing the apparel, which implies an important market impediment (Fortune Business Insights, n.d.).

As reported by Ludwig et al. (2021), 55% of outdoor consumers purchased at least one outdoor item during the last twelve months in Europe. Out of that, 34% bought products online. The most popular type of outdoor item purchased was apparel (38%), followed by shoes (37%), and equipment, which accounted for 12%.

In the outdoor industry, traditional (offline) selling is still quite dominant. 66% of respondents prefer to buy products physically in stores. However, unexpected circumstances like the worldwide spread of COVID-19 result in increased demand for these products in an online environment. What is more, interest in activities and experiences in nature has increased. Customers who purchase products online are keen on the wide selection, good bargains, and convenience of such shopping. However, those in favor of shopping in stores point in particular to the possibility of trying on the products and testing them (Ludwig et al., 2021).

Interestingly, online customers (45%) prefer to buy their outdoor products from retailers who do not specialize in selling outdoor products (e.g., Amazon). 28% buy it from outdoor-specialized online stores, and 19% from the store of the manufacturer. When buying outdoor products, quality is the most important factor in making decisions. Price is the second criterion, followed by functionality, and then design and sustainability (Ludwig et al., 2021).

Online communities are used by 40% of respondents on regular basis. Outdoor enthusiasts use applications and social networks like Facebook. Out of these, 23% use it particularly to obtain information on outdoor goods. This demonstrates how crucial online communities are from a marketing perspective. Therefore, marketers can effectively reach highly engaged audiences (Ludwig et al., 2021).

A trend shaping the digital market of the outdoor industry is an extension from B2B to B2C. Large corporations as Nike and Adidas have successfully employed the tactic of selling online directly. Since there are no middlemen involved in direct online sales of goods, larger margins are achieved. Customers' behavior and demands can be better understood by product makers with the use of their own online sales channel, which also makes it easier to build more effective, customer-focused products. Furthermore, brands utilize social media and content marketing approaches to develop community and user-generated content. It is a source of innovation and aids in diversifying the product portfolio (Rotar, 2021).

According to Zhang S. J. (2020), the two main factors for outdoor sports accounts on social media are people and the outdoors. Landscapes and pictures of people are the most commonly used visual elements in Instagram posts from outdoor clothing firms. Posts like this trigger more engagement compared to images that lack these elements.

5 RESEARCH ON SMMS AND S-COMMERCE IN OUTDOOR INDUSTRY

5.1 Conceptual Framework and Purpose of the Research

The purpose of the research is to analyze the interplay between social commerce and social media marketing strategy development in the outdoor industry. Besides, the purpose is to find out how marketing managers can take advantage of the rising influence social media has on interacting with customers and help them develop marketing strategies that translate into growth. The research provides managerial implications for creating an effective social commerce strategy in outdoor apparel. Moreover, it provides insights into the role of social commerce and social media marketing strategy to improve existing products and develop new ones. The thesis takes the understanding of social commerce one step further than previous literature, more specifically in the outdoor apparel industry. Given the context of the outdoor industry, the thesis provides examples of how marketing managers can leverage social media to interact with customers in this segment.

The main goal of the thesis research is to carry out interviews with ten outdoor brands. A company representative is a marketing manager or comparably skilled marketing expert highly involved in creating social media strategies for social media platforms. By getting insights from interviewees, the goal of a thesis is to find out what role social media marketing strategy plays in social commerce activities that drive sales and turn potential customers into buyers and, even more importantly, into repetitive purchasers.

As depicted in the theoretical part, the definitions of social media marketing and social commerce vary. What is more, the relationship between social media marketing and social commerce is undefined (Li et al., 2021). Diverse ideas also lead to different understandings of these concepts. For social commerce, these deviations are due to the relatively recent emergence of a concept that is still evolving as new technologies appear (Busalim & Hussin, 2016). Some authors see social commerce as a type of social media marketing strategy (Li et al., 2021), while others see social media marketing as one of the social commerce activities (Martínez-López, 2021). The research questions follow:

RQ1: »How do companies perceive social media marketing and social commerce, and what is the current adoption in the industry?«

With the rise of social media, there has been a power shift from sellers to customers (N. Hajli & Sims, 2015). Content creation and sharing thoughts with others on social media was shown to positively affect companies' businesses (Han et al., 2018 & de Oliveira Santini et al., 2020). These activities can be summed up with the term customer engagement, which is the main priority of a social media marketing strategy (Li et al., 2021). Customer engagement and the value it creates with other users and with a company shows the success of marketing initiatives (Sashi, 2012; Pansari & Kumar, 2016; Yu et al., 2020). A high degree of

engagement fosters product innovation which is also one of the benefits for companies to adopt social commerce. By providing feedback about the product and possible improvements, companies can better understand the needs and upgrade the existing product. Value co-creation can even cause the development of a new product. Furthermore, the costs for gaining market insights decrease (Clark et al., 2011; Harmeling et al., 2016; Mustafi, 2010; Sashi, 2012). However, Roberts & Piller (2016) assert that social media holds big potential for product improvement and product innovation and is underutilized by companies. Therefore, a research question appears:

RQ2: »What is the role of social media and social commerce in the outdoor industry as a means to improve existing products and facilitate product co-creation and innovation?«

Firms' social media engagement initiatives are the inputs for a successful social media marketing strategy (Li et al., 2021). In return, companies get customer engagement as the output of such actions and receive feedback on how successfully it encourages people to contribute value to a company (Sashi, 2012). Engagement, meant as a connection between the company and its customers, is also one of the crucial steps in developing a social media marketing strategy (Clark et al., 2011). The engagement of a customer can be direct (purchase) or indirect, which means writing a review or having conversations about the product on social media that affect other customers' decisions (Pansari & Kumar, 2016). The initiatives considered to increase engagement on social media include writing a review, referring to a friend, and word-of-mouth (Harmeling et al., 2016). Similarly to social media marketing, the characteristic of social commerce is a high level of engagement (Busalim & Hussin, 2016). Engagement between users of the platform enhances social connectedness and a sense of belonging to a community. Furthermore, social connectedness increases the deployment of social commerce. Through engagement, users bring value to the companies. Therefore, companies should encourage engagement between people (Cho & Son, 2019). Factors for engaging customers in social commerce were recognized by Bazi et al. (2019). Results showed that users of social commerce are more likely to interact on website and applications if they share opinion with others, receive social support from others, and see a high level of social commerce value. Additionally, increased interaction with social commerce platform increases users' desire to co-create content related to a brand. Therefore, I would like to find out if there are any industry-specific factors that should be considered for engaging customers. This raises the following research question:

RQ3: »Which factors are most frequent for engaging customers in social media and social commerce?«

5.2   Research Methodology

The research consists of a theoretical and an empirical part. The theoretical part is based on literature from social media marketing, social commerce, and data about the outdoor industry. The empirical part is based on interviews with marketing professionals from the ten outdoor companies. A company representative is a marketing manager or comparably skilled marketing expert who is highly involved in creating social media strategies for social media platforms and selling through social media.

The advantage of the interview approach for collecting data is a more in-depth examination of people's perspectives compared to questionnaires. Interviewees get a chance to talk in their own words and convey their thoughts. By retrieving primary data through interviews, we collect additional information that would probably not be accessible using the questionnaire procedure. Moreover, due to its relatively flexible nature, more accurate data, and consequently better results can be achieved as the interviewee and interviewer can ask questions to resolve ambiguities. We get to know more about the background and receive insight into the specific themes because of the feelings that are expressed. Similarly, an advantage is that interviews allow us to observe gestures that questions trigger and thus receive nonverbal feedback. Because we can record the interview, it can be listened to many times to extract the most important data and ideas (Alshenqeeti, 2014).

One of the possible cons is the comparability between interviews. Because of the subjectivity factor, interviewees may understand questions differently, making it more challenging to compare answers. Furthermore, interviews are also time-consuming, both to conduct and to analyze. A possible disadvantage is that the interviewee may not want to disclose too much information, or maybe he or she gives imaginary information to make it more interesting. Also, perceptions on some topics are subjective and may change over time (Alshenqeeti, 2014).

The interviews were audio recorded, and afterward, the transcripts of the conducted interviews were written. The transcripts of the interviews aim to fully understand all the information the interviewees gave and find similar ideas. Furthermore, frequently mentioned terms could have been outlined. Then, the ideas were organized in a more understandable and structured way. Similar ideas were grouped, and themes formed. In that way, the data is clearer. Consequently, the findings are easier to understand. Every question is analyzed separately, and the most interesting interview excerpts that thoroughly capture the question are included.

To conclude, an interview is the most appropriate method for collecting primary data for this master's thesis. The subject researched is quite complex, as there are different perceptions of what social commerce is and how it interacts with social media marketing strategy. Therefore, better control over questions is achieved. Furthermore, it is ensured that co-speakers understand questions correctly by providing additional explanations that are harder

to implement into a questionnaire. Another added value is non-verbal communication, which contributes to a better understanding of the research questions. Moreover, according to Esmaeili and Hashemi (2019), only 7% of the data in the social commerce studies was collected by conducting interviews. In contrast, 48.8% of primary data was gathered through questionnaires (Esmaeili & Hashemi G., 2019). Similarly, the literature review article from K. Z. Zhang and Benyoucef (2016) suggested that, due to the widespread adoption of surveys for studying social commerce, the interview method would add value and diversify the topic for future research. Therefore, data collection with the interview represents a major advantage for the research.

5.3   Sample Analysis

The brands involved in the research are Slovenian, except for one that is German (B1) and one that is French (R5). Chosen companies vary in size and market power they possess. Five out of ten companies are brand owners and sell their own products. Throughout the analysis, they are marked with the letter B. The other half are resellers, i.e., firms that resell products from outdoor brands and do not have their own branded products, or if they do, it represents a very small share of their sales. They are marked with the letter R. In this respect, it is also interesting to compare brand owners and resellers and explore if they differ in approaches to social media and social commerce. Interviewee profiles can be seen in Table 6. Furthermore, a short description of each company can be found in Appendix 3.

Table 6: Interviewee profiles

Type of the company	Interviewee code	Job position
Brand Owner	B1	Manager EU eCom Growth
Brand Owner	B2	Co-founder, Marketing
Brand Owner	B3	Global Head of Digital Commerce
Brand Owner	B4	Social Media Manager
Brand Owner	B5	Founder, Marketing
Reseller	R1	Content Creation Manager
Reseller	R2	Founder, Marketing
Reseller	R3	Head of Marketing
Reseller	R4	Social Media Manager
Reseller	R5	Marketing Project Manager

Source: Own work.

With the companies that own their brands, the interview questions aimed to answer all the research questions. However, with the resellers, we discussed only the themes related to RQ1 and RQ3, as RQ2 is connected to product innovation and co-creation, which they cannot have as they do not develop their own products but rather resell them.

6   INTERVIEW RESULTS

The first research question is as follows: »How do companies perceive social media marketing and social commerce, and what is the current adoption in the industry?« All interviewees were included in this research question. The initial interview question focused on how companies in the outdoor industry perceive social media marketing.

B3, B5, R1, and R3 understand this type of marketing more generally, as a part of other digital marketing activities. However, they are all aware of the different options that can be used to carry out social media marketing. For example, the Head of Marketing (R3) mentioned influencer marketing as an option to do marketing activities through social media. Furthermore, the Global Head of Digital Commerce (B3) explains that social media is the main channel for interaction with customers and absolutely the main source for feedback. Moreover, he emphasizes the closeness to consumers: »Social media marketing, I would say in my 10+ years in digital marketing came from a niche thing to the number one thing basically where any brand would focus on. It also became more than just the marketing because it became the channel where we interact with the end consumers…it's absolutely the number one feedback channel for us.«

The importance of the digital community and a sense of belonging were mentioned by interviewees B4 and R1. Social Media Manager (B4) answers: »Social media marketing for me includes all the activities that a brand uses to build a digital community. It creates a digital space where people feel like they are part of something that's real and has a positive effect on their life.« R5 also sees the essence of social media in building a community: »I think the most important thing about social media marketing is really building an online community. So connecting people who have similar interests, who have similar lifestyles, desires, ideas, and so on.«

Some interpret SMM in relation to its benefits, such as higher reach (B2), personalization (B1), and improved targeting (B1). A more sales-oriented perspective from the founder of a company (R2), who is also highly involved in marketing activities, is that it attracts people to the first stage of a sales funnel.

The social media manager (R4) describes social media marketing as a big balloon in the business world. It can be very rich when inflated with the appropriate air, but it can lead to losses when you are not even using it or using it incorrectly. She depicts: »you should inflate it with the right air so it doesn't explode.« She adds that social media marketing is ever-changing, so an active following of the changes is a must. The understading of SMM can be seen in Table 7.

Table 7: Understanding social media marketing

Interviewee	Understanding social media marketing
B1	Personalization and improved targeting.
B2	Higher reach.
B3	Interaction with consumers, feedback channel, part of digital marketing.
B4	Activities that build a digital community and digital space that people feel part of.
B5	A necessity in online business.
R1	All activities done on social media, community building, and social media advertising.
R2	Attracting people to the first stage of a sales funnel.
R3	Digital marketing on brand-owned social media profiles and influencers' social media profiles, free of charge, low cost, influencer marketing.
R4	A tool the business can gain from but also lose if it does not use it properly.
R5	Community building to create website traffic and push sales.

Source: Own work.

The second question aimed at understanding how important the defined strategy is for company representatives and how well-developed the current strategy is in each company. For B1, the strategy is essential as the company is global: »…if there is no clearly defined strategy, every department would go in their own direction. So, for us, the crucial part is that we know what goes in the brand communication direction and what is more related to sales. So more into exact products, into the exact campaigns, and then the last level more into the exact offers of products together with the pricing.« She sees the importance of social media in keeping it consistent and not to turn on a dime to please the followers. She elaborates: »…so keeping it in one direction and not just spamming with whatever content makes sense at a certain moment in time.«

Most respondents use social media in a testing way, trying out new things every day; thus, their approach is not as well-defined. R3 mentions that they are just experimenting and trying to see what works. B2 takes the same view, stating that too much detailed or over-defined strategy can result in restricting the company from growth. Similarly explains R2: »…we have always been active in that essence, but it came more like naturally not as a result of a planned strategy…we were always very aware of the importance of different sources to generate interest or traffic to our online shop, whatever it is. It can be a webpage, or it can be a Facebook page. So this awareness was what pulled us into social media.«

B3 explains that the company has a digital strategy that includes digital commerce and digital marketing. Social media strategy is basically part of both of them. He continues that it is one of the key pillars of the digital and marketing strategy and explains why: »…because it's the easiest and fastest channel to get in touch with the end consumers, and it's also the most playful way of communicating something that we normally do through a visual appearance.«

»I think the biggest think about social media strategy is connected to how well the brand knows themselves,« explains the Social Media Manager (B4). She stresses that the company has a plan for sales and other metrics, but somehow, they lack a defined idea about who they are as a brand and how they should present themselves on a social platform. Her role as a social media manager is to help the company in that way.

B5 emphasizes the importance of industry definition and brand messaging: I think it's important to define a social media strategy in terms of the industry you are representing. We are positioned in the outdoor industry, and it is really important for us that, beside the job, people have an activity for which they spend their free time outdoors.«

The content creation manager (R1) explains that strategy is very important and consists of two documents. One document focuses on communication strategy, and the other on the approach to social media based on the goals they want to achieve.

R2 stresses that this is a confusing topic due to the demographics of their target group. He continues that their audience is older, which makes social media not the most suitable channel for selling outdoor equipment.

R3 perceives strategy as super important. As resellers, they mainly focus on branding in the local market for the brands they are selling, and on leading people to their e-commerce website. They tried to implement many new things, such as influencer marketing, to achieve more engagement on social media. She expresses her wish to have a more comprehensive strategy in the future.

According to R4, a company's strategy is comparable to an athlete preparing a training strategy for an upcoming competition. She sees social media strategy as an important part because a set strategy makes it easier to define further activities and the probability of success. They set a strategy on approximately every three months, as the offer shifts due to the seasonal nature of the products.

The strategy is described as a starting point by the marketing project manager (R5). She explains that it is the basis of everything a company does on social media. Similar to B1, she makes the point that the global guidelines and the strategy they must follow prevent them from independently developing their social media strategy. In her opinion, their strategy is good, but she would definitely make some significant changes if she could. She says that sometimes they have trouble implementing things into practice.

The perceived importance and assessment of SMMS can be seen in Table 8.

Table 8: Perceived importance and assessment of SMMS

Interviewee code	Perceived importance of SMMS	Current SMMS assessment
B1	Very important	Cleary defined
B2	Neutral, does not know	Not so defined
B3	Very important	Defined
B4	Important	Semi defined
B5	Important	Not so defined
R1	Very important	Clearly defined
R2	Neutral, does not know	Semi defined
R3	Very important	Semi defined
R4	Important	Semi defined
R5	Very important	Defined

Source: Own work.

The third question referred to the objectives for using social media marketing. All the companies use social media to increase sales, so I asked them what their main goal is beside sales. Brand messaging is the key goal for B1, keeping it separate from the products. B2 says they want to create brand awareness with social media and drive traffic to e-commerce, which results in increased sales. B3 has a similar perspective on social media as a tool for driving traffic to a website, but he sees it as one of the key drivers, not just an additional one. Furthermore, they are taking action to grow their following and increase their engagement. The goal of B5 is to communicate their story and promote an active lifestyle. Business-wise, the goal is to increase visibility. Here is an example statement from R1 that clearly ranks goals: »Basically, the number one goal is engagement. The second one is the visibility of profiles, and the third one is to increase sales.« She points out that the main challenge is to create appealing content and sell it at the same time. The founder of a company (R2) says the main goal of social media is to increase awareness about the online shop among customers, create demand, and pull them into the funnel. R3 does some brand awareness activities on social media, but their main goal is sales. The social media manager (R4) explains that the only goal of using social media is to increase sales by having more clicks on their website. R5 says the main goal is building the community, including people who have an interest in sports, a healthy lifestyle, and new sports products.

In summary, the main objective of social media usage is to drive traffic to the e-commerce website. The second most convenient driver is to increase brand awareness. Other goals are summarized in Table 9.

Table 9: Main goals for using social media marketing

Interviewee code	Goal
B2, B3, R2, R3, R4	Drive traffic to the e-commerce website
B2, B4, R3	Increase brand awareness
B1, B5	Communicate brand messaging and values
B3, R1	Increase engagement
B5, R1	Increase visibility
B4, R5	Build community
R2	Increase online shop awareness
B3	Grow followers

Source: Own work.

I then asked them to tell me what they considered to be the advantages and disadvantages of social networks in relation to doing business through them. The aspect of quick access to consumers and their information emerged from B1, B3, and B4 as the main advantage. B1 outlines: »Social media gives us back information about consumers. So it's easy to collect data that makes it easier to be relevant for the consumers.« Manager EU eCom Growth (B1) adds that almost everyone opens at least one social channel a day, so that just confirms the availability we have to an enormous base of consumers. The latter statement from B4 only confirms all of the above: »The biggest advantage of social media marketing is how you can reach an audience that you couldn't with traditional techniques.« Getting feedback from consumers is the main advantage, according to R5: »They basically tell you we are interested in this type of running shoe right now…you get it instantly. « She also emphasizes the two-way communication aspect, interaction with followers, and engaging with them.

B2 says she finds the advantage in the ability to showcase products in a very visual and innovative way. What is more, from their experience, the posts have a higher reach and are less expensive compared to other digital marketing options. The low cost is also emphasized by B4, who argues that with a good strategy and added-value content, organic reach can be achieved. Furthermore, social media is a great portfolio for brands, as people can see who you are based on your posts. In addition, social media marketer (B4) points out that an immediate contact with consumers serves as an additional platform for customer service. It offers great insight into communities and their characteristics. Furthermore, companies can build a relevant platform that is always updated and refreshed; if so, it serves as a timeline of your brand that's also available to new customers. This way, followers can see how your brand has evolved over time.

B5 focuses on brand messaging and the company's story, which can be shared with followers. In their case, they are promoting an active lifestyle. As a disadvantage, she points out the intensity social media requires. She explains that the company needs to be 100

percent into social media management and posting. From experience, if they are not active enough, algorithms push them aside, and their visibility decreases.

R1 talks about the community that is created around a brand on social media. She perceives it as an important factor because it is much easier to create interesting content for such individuals and, ultimately, sell products to them. R2 sees the pros of social media in increasing brand awareness and continues that you need to build upon that, make consumers aware of a shop, create demand, and turn awareness into monetary goals.

The head of marketing (R3) believes that social media gives them the ability to measure the effect of their sales activities very transparently. She explains: »Since it's all digital and usually connected to one form of engagement or conversion, the effect is very measurable – very easy for analysis, what works and what doesn't. At least for online sales. For brand awareness raising or retargeting to physical shops, we are still left in the fog.« Furthermore, the flexibility in sense of the controlled money input is highly company-specific. Here she emphasized the influencer marketing cost, which is a matter of negotiation. Likewise, non-sponsored marketing from the company's profiles provides no extra cost if you manage to gain a large following. Last but not least, she highlighted the variety of options social media holds for microtargeting the end consumer, from choosing the platform at the foremost and then targeting through paid ads.

R4 sees a benefit in educating your followers while simultaneously offering them a product. She describes: »…for example, explaining how to dress for cycling in the winter, and then giving them a link to our online shop.«

Even if social networks have many advantages, we should not forget their disadvantages. The Manager of EU eCom Growth (B1) notes that the popularity among different social media platforms is constantly shifting. Furthermore, we can find different age groups on different social media sites. This makes it harder for businesses to evaluate marketing activities in relation to the popularity of a certain platform and the purchasing power of a certain generation that is active there. B1 proceeds to consider whether higher engagement really means higher conversions.

The main disadvantage for B2 is the high cost of paid content. However, she explains that they are not hindered by this fact and, overall, do not experience any major weaknesses. The Global Head of Digital Commerce (B3) thinks that the need for constant availability is the major downside of social media marketing. He compares it to email marketing, where you send out a newsletter and that's it. In contrast, social media demands two-way communication, constant monitoring, and involvement in conversations with followers. B4 stresses that the most significant disadvantage is how saturated the channels are at this point. Therefore, it takes a lot more strategies and resources than in the past to reach people.

R1 highlights that sometimes it's difficult to measure the importance of social media and the impact it has on sales. The major issue mentioned is the collection and analysis of data gained

from social media and getting something useful back to take further actions. The example statement below that confirms the issues marketing specialists are experiencing with the data analysis comes from the founder of a climbing, hiking, and other outdoor equipment company (R2): »When we implemented our digital marketing strategy more seriously, we put a big emphasis on social media. Facebook was one of the main platforms, where we spent our money, but it was really hard to get relevant data on how it actually performs.«

While R3 claims that the advantage of social media marketing is in-depth consumer targeting, she also argues that data privacy is impeding analysis for targeting purposes as a lot of data about customers is hidden. As a result, targeting is becoming more difficult. Another disadvantage she sees is the support given by the platforms when ads malfunction. Generally, the consequences are passed on to the companies themselves, such as a decrease in sales. She also stresses that influencer marketing is at the beginning of a proper legislative process, as agreements between the company and an influencer usually lack an official contract. The efficacy of such marketing is more dependent on a good assessment of the suitability of candidates for certain campaigns, trust, and luck. She ends with the thought that social media marketing has become highly expensive, explaining: »With the increase of advertisements on platforms, the users became more resilient, so, in my opinion, the ads are less efficient.« R4 highlights the same drawback. She believes that people are becoming weary of advertisements, and consequently, getting tired of social media.

Technical issues and continuous changes on the platforms represent a disadvantage for R5. She explains that Meta is always updating social media, and sometimes things don't work as they should. Hence, technical weaknesses happen. What is more, the recommendations that it provides to improve your profile are not always applicable to your specific industry or specific content. So, you have to be really cautious with recommendations and learn day by day to keep up with changes. The advantages and disadvantages of SMM can be seen in Table 10.

Table 10: Advantages and disadvantages of social media marketing

Code	Advantages	Code	Disadvantages
B1, B3, B4, R5	Immediate access to consumers	**B1**	Hard to evaluate an appropriate platform for marketing activities
B2	Showcasing products in innovative ways	**B1**	Difficult evaluation of the relationship between individual metrics
B2, B4, R3	Low cost of unsponsored content	**B2, R3**	High cost of sponsored content
B4	Communicating brand values to the public	**B3**	The need for constant availability, monitoring and involvment in conversations

To be continued

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Table 10: Advantages and disadvantages of social media marketing (cont.)

Code	Advantages	Code	Disadvantages
B2 **B4**	Additional or main customer service channel	**B4, R3, R4**	Saturation with marketing-related content and advertisements
B4	Serving as a retrospective insight for customers	**R1, R2**	Difficult measuring the impact of social media
B4 **R5**	Great insights into the community	**R3**	Difficult targeting due to stricter data policy
B5	Facilitating brand messaging	**B5, R2**	Required continuous activity
R1, R2	Appealing to warm audience, direct targeting, easier selling to the community	**R3**	Weak support from social media providers
R2	Additional channel for generating traffic on a website	**R3**	Weak formal frameworks for influencer marketing
R2	Possibiliy of targeting without a paid intermediary	**R5**	Technical issues
R3	Possibiliy of transparent effect measurement of the selling efforts	**R5**	Keeping up with platform changes
R3	Flexibility of the money input for sponsored posts		
R3	Possibility of detailed targeting		
R4	Possibility of soft selling		

Source: Own work.

In continuation, I aimed to understand how companies develop strategies for social media and if they define any specific stages in this strategy. Unfortunately, B1 was not actively involved in the latest strategy development, but she explained that generally, a crucial part is segmentation. For example, who they can reach with a specific message, how a specific activity fits with a specific time of the year, and whether this activity is more sales-oriented or not.

A co-founder involved in marketing (B2) explains that when developing a strategy, they always have a look at the profiles and websites of their competitors, which are all bigger than themselves, to see the practices they make use of. She outlines that they put a lot of emphasis on engagement. She adds that their main channels for customer support are Instagram and Facebook.

Similarly, for the company B3, engagement is the main focus of the strategy. In the opinion of the Global Head of Digital Commerce, high engagement rates differentiate them from other companies that also provide similar products but are considerably larger. Such opinion is shared with B4, who also considers that engagement makes your brand more special and

sets you apart from others. She goes on to say that this is especially important when you are not selling one-of-a-kind products. Same for the founder of a company (B5), engagement is the most important factor in a SMS, explaining: »I think that throughout our story, engagement brought us the most success.«

For increasing engagement, they have a special global community of professional outdoor athletes who test their products and help them spread the word before, during, and after product launches, explains B3. In the meantime, they also present the features of new products to their followers. Additionally, they were thinking of ways to boost the engagement even more: »And now, we are also thinking that we could start including the big retail stores that sell our products in the same way. They also have a social following. If we are launching a new product, not only our athletes and we, but also third- party retailers can, uh, through, I don't know, a collaboration post or something, promote the same thing at the same time.« The second most important factor for the company B3, besides engagement, is monitoring competitors to see what practices they implement in SMM.

R1 has a more detailed process for SMMS development. The first stage refers to auditing the current situation. How good is the content, the engagement, and the visibility? Continuing their efforts, they thoroughly examine the strategies employed by their competitors, seeking any valuable insights that can be applied to their own practice. They mostly benchmark the content. Since they receive a lot of engagement naturally without the need to make any extra effort, they do not put much emphasis on it. What is more, they never run out of user-generated content, even if they do not have any incentives in place. For example, people go to the mountains with their shoes, and they voluntarily tag them in their story or a post. Company reposts it or even asks for more pictures. The final step is to evaluate the results. Following the assessment, they decide which content categories will be retained and which will be dropped.

The main step in the strategy for R2 is to make measurements at the final stage. However, he argues that SM does not perform well in terms of achieving monetary goals and providing useful data: »I hold a big grudge against social media companies because they tend to paint their results in a more shiny way than they actually are. Let me explain. When we implemented our digital marketing strategy more seriously, we put a big emphasis on social media. It was hard to get any relevant data on how it actually performs, which led us to develop our own measurement systems. Now we have our own analytics. And after implementing that, we did radical changes in terms of how much money we spent. Before, the analytics led us into the wrong direction. So, after that, we created a unified model for every traffic source. We would analyze that quite strictly and base our marketing engagements and spending based on that.«

R3 conducted a thorough market analysis to decide whether to retain or abandon e-commerce, which surged mainly due to COVID-19. The investigation of competitors was also included in the analysis. After reflection and analysis, they decided to continue with

online sales because it turned out to be a good channel. As a result, they have also continued their social media marketing activities, in particular influencer marketing.

R4 explains that they plan posts in advance. Later on, they boost some of those that perform well. Occasionally, they check on competitors. However, she observes that larger competitors do not put much emphasis on social media.

R5 upgrades the strategy every year. The development of a strategy starts with a review of the current one and an analysis of its outcomes. According to the findings, they update the strategy. She explains that they look at their competitors' growth and follow the types of content they post. The marketing project manager emphasizes that they look for inspiration not just in competitors but more widely, with the aim of facilitating user-generated content. Priorities in SMMS can be seen in Table 11.

Table 11: Priorities in social media marketing strategy

Interviewee code	SMMS development priority
B1	Segmentation
B2	Engagement and competitor analysis
B3	Engagement and competitor analysis
B4	Engagement
B5	Engagement
R1	Audit of current situation and outcome analysis
R2	Outcome analysis
R3	Market analysis and outcome analysis
R4	Planning content in advance and competitor analysis
R5	Audit of current situation and outcome analysis

Source: Own work.

Then I asked them which metrics they measure from SMM activities and which ROI matters to them. B1 replies that strictly looking at social media, they, for example, on Instagram measure the number views for a certain Reel. From an e-commerce perspective, they measure the traffic that social media brings to their website or app and then the conversions that result from that. She says: »At the end of the day, it's really the demand that matters. And social media is one of those last touch channel that we look at.« I wanted a further explanation of what "last touch channel" means, and she explains that paid social media is one of those channels that can be the last stage before the purchase.

For the company that sells outdoor leggings and other technical outdoor apparel (B2), cost of acquisition is the main metric at the moment. They are constantly monitoring it as they expand into new markets and work hard to gain new customers. Another important metric is video views on social media platforms.

For B3, engagement rate is the main ROI that they measure. B4 emphasizes that she evaluates success on a weekly basis, separately for each market. The metrics include impressions, reach, and engagement. If some special events happen during the week, they put a lot of focus on them and try to figure out the reason. If content performes well, they boost it to reach an even wider audience.

»We do not have any special measurement system in place«, explains B5. They do, however, review user input, such as comments, story likes, and so on. The content creation manager (R1) analyzes the results monthly. The main metrics encompass the Facebook and Instagram reach, new followers on Instagram, and new likes on the Facebook page.

R2 insists that they now have their own measurement system and analytics, considering the complexity of their funnel with online and offline purchases. He explains: »Most people would go and visit our website, and then they would make their purchase offline. And that is really hard to track and can lead to wrong assumptions and conclusions. So we have to take that into account very seriously.«

The head of the marketing (R3) explains that their ROI focuses on influencer marketing. They used to have their own paid ads to do the branding and increase awareness on Facebook, Instagram, and LinkedIn. Later on, they only focused on influencer marketing due to good results, and now they measure success based on affiliated purchases.

R4 measures website clicks. The latter is also important for R5: »So…how many clicks we get, how many purchases we get, how much traffic we get on the website from social media. « She goes on to say they also look at the performance of the content and of the channels. The metrics include the growth of followers and engagement rates. The ROI metrics can be seen in Table 12.

Table 12: Relevant ROI metrics

Interviewee code	Relevant ROI metrics
B1	Number of video views, traffic social media brings to their website.
B2	Number of video views, cost for acquisition.
B3	Engagement rate (likes, comments).
B4	Number of impressions, reach, engagement rate.
B5	Engagement rate.
R1	Reach, number of new followers or number of new likes on a page.
R2	Own measuring system. Did not disclose.
R3	Success from influencer marketing measured through coupon codes.
R4	Traffic social media brings to their website.
R5	Traffic social media brings to their website, number of new followers or number of new likes on a page, and engagement rates.

Source: Own work.

In continuation, my questions referred to social commerce. More specifically, the understanding representatives of companies in the outdoor industry have. First, I wanted to learn about some trends that are emerging in the outdoor industry regarding online shopping. B1 and B3 immediately mention that the outdoor industry is lacking in online shopping and social media shopping. Furthermore, B1 says that »China is light years ahead of what any other region in the world is doing.« B1 and B3 were the only ones who mentioned live shopping as a new way of shopping through social media, which is a huge trend in social commerce: »They (China) have an influencer who puts on different apparel, different footwear pieces and then it sells immediately.« B1 explains that she does not know how technologically this kind of shopping works or how is it feasible but continues with the opinion: »But yeah, I think the estimation is that maybe one year from now, uh, those trends from China will start coming to Europe. That's how I see it —the live streams, and especially for us, I think they are relevant through TikTok. This will be, let's say, the Gen Zers or younger. Um, so we'll also have to wait for them to have proper purchasing power.« Here is the opinion of B3: »I personally think outdoor industry is a bit lacking behind. There is no live shopping or something that I see in the other industries. There were attempts during the pandemic because shops were closed. So then outdoor brands and shops started to do live shopping in the empty retail stores that they had. But again, that didn't really continue.« He argues that the outdoor industry is not the most agile at trying new things. He found out that even their much bigger competitors do not even have shopping feeds on their social media platforms.

The co-founder and member of the marketing team (B2) emphasizes the importance of TikTok, which is emerging in the younger generation. They are aware of the potential it possesses, but they are unaware of how to utilize it to drive sales of their products. Furthermore, a more general trend they found is that video content is a huge player on social media because it tends to perform better compared to pictures.

In the opinion of B4, the industry will experience growth. She explains that the reason lies in people discovering that comfort is important to them. She feels that this awareness was further heightened during the pandemic. B5 does not point out any trends.

R1 sees the emerging trends in the light of the effects of the COVID-19 pandemic. A lot of new, more boutique companies started their businesses in the outdoor industry during the pandemic. Therefore, the competition grew. On the other side, the demand for such products also grew. People became more active, and many content creators arose. It is a win-win situation. She explains: »They go to, I don't know, Šmarna gora, and they post themselves there. And it's good for us because they usually have our shoes on. And that is why we can just repost their content…that's why we also get genuine content. « R2 also describes the time of the pandemic (years 2020 and 2021), when all traffic moved from offline to online and then back again. So, in that sense, it is really hard to do any trend analysis because of the special circumstances. The next observation is that Facebook dramatically changed its algorithms. That means you hardly generate traffic through Facebook, which leads you to

paid advertising, which is, in his opinion, fairly inefficient. So, the trend is moving to other platforms. R3 predicts that the use of e-commerce and social commerce will increase compared to physical stores.

R4 notes that people tend not to spend so much money. She specifically refers to high-end brands that used to sell well. She also mentions the sustainability aspect that is gaining importance but does not know exactly how it will impact the outdoor industry.

R5 notices that companies are launching new products or product lines that are created in collaboration with influencers. She further explains that even new brands are using this approach in the beginning to create awareness among consumers. Another trend that she mentions is that social media has a huge impact on what people wear when they go to the mountains. People care a lot about their appearance in the mountains. She elaborates: »…and then there's those brands that are leading the movement, I would say. That really started this whole revolution of outdoor clothing becoming more trendy and stylish and, um, not just very performance oriented.«

Next, I asked them to tell me what social commerce is. B1 understands social commerce in connection to dynamic retargeting. When you are looking at a certain product and then the exact or similar product is shown to you because you were already looking at it. B2 classifies products to as being sold through social media when they come to an e-commerce website through social media. The same point of view expresses R4. B3 perceives social commerce as live shopping. He believes it holds a big potential for the future: »I really believe that through some kind of live shopping experience where you have advice, people are going to buy also skis in the future…if there is, let's say our ambassador helping you to select the right length, you will buy it straight from that point… So I believe that there needs to be this kind of a shopping assistant or this ambassador's live shopping, something that gives them the added value, the confirmation. Because it's still expensive and it's a technical product.« B4 claims that purchasing process often starts with social media. She gives an example of products sold through social media: »We did a campaign couple of months ago, um, where we only did like a week-long sale. We made a special code only for social media, so it wasn't communicated anywhere else. I think that our ROI was like five times than what we put in. « She adds that if people come through influencers to the shop, these products are categorized as being sold through social media.

When I mention social commerce, B5 immediately starts to explain paid ads and the sales that come from that activity on the e-commerce website.

R1 argues that we can see through the sales funnel if it was sold through social media: »For example, if some content on social media is more informative, I wouldn't connect it with sales. The connection is not so strong and straight to the point. But, when some content is very selling, then I would say that there is a connection.« R2 also understands social commerce as redirecting a customer from social media to e-commerce website: »Uh, in

terms of social commerce, I'm really not a fan of naming different sources to our funnel in a different way. « When I asked R3 how she defines social commerce and which actions need to be completed by customers so that a product can be categorized as sold through social media, she answered: »We have this totally measurable because each marketing activity usually has its own discount code that is then applied through e-commerce. So, it's very easy to measure where did it come from.«

For R4 and R5, social commerce means the traffic that is brought to the webshop through social media. R4 sees it just in reaching the webshop, while R5 perceives it more through the completion of the purchase. They both clarify that shopping on Instagram and Facebook is also a form of social commerce, in their opinion, but neither of them has this type of shopping functionality set up yet. Understanding of social commerce can be seen in Table 13.

Table 13: Understanding of social commerce

Interviewee	Understanding of social commerce
B1	Connected to remarketing (from e-commerce website to social media), live shopping
B2	Knowing that customer came from social media (from social media to e-commerce website)
B3	Live shopping
B4	Special discount code for social media (from social media to e-commerce website), influencer marketing
B5	Coming to a website through paid ads or organically from social media (from social media to e-commerce website)
R1	Posts with selling content (from social media to e-commerce website)
R2	Redirecting customers (from social media to e-commerce website)
R3	Applied discount code from social media, influencer marketing (from social media to e-commerce website)
R4	Reaching an online shop through social media (from social media to e-commerce website)
R5	The customer who completes the purchase is brought there through social media (from social media to e-commerce)

Source: Own work.

I wondered what the approximate share of sales through social media is, based on the previous perception of that matter. Most of the companies did not have data available. However, B2 says that 50% of sales happen because of social media. In contrast, B3 says that less than 5% of sales are due to social media. R3 explains that 85% of sales are made through e-commerce, and out of that, approximately 80% go to influencer marketing. R5 says the share is significant. It is the second-biggest contributor after organic searches. She clarifies: »…and obviously if you look at organic searches, you also have to keep in mind

that those people probably searched for your page because they saw something somewhere else. «

In the continuation, I asked if they have any plans underway for the future development of social commerce and if they think that is gaining importance in outdoor markets. Furthermore, I wanted to hear their opinion about the seamless shopping experience directly through a social platform, without the need to visit the brand's e-commerce website.

B1 outlines that they had one try in the UK market with live shopping on TikTok, but it did not turn out to be a success. She adds that this may be because it was not advertised anywhere and because of the audience on the platform, which has weak purchasing power. As it concerns shopping directly through the app, she wonders: »But my concern here is, maybe I'm conservative, um, how many different platforms get access to your sensitive data?« Moreover, the priority for the company is to develop so called »one-click checkout«, meaning making it as seamless and smooth as possible. From this point of view, it would make a lot of sense to have it directly through the platform without being redirected. She mentions that user-generated content can be much more convincing and can drive higher conversions: »The user-generated content in connection with social media and social commerce I think would be a great plus. Together with the reviews. However, if we're talking about outdoor apparel footwear I think it's super, super crucial that, you know a lot of technical specifications about an article.«

B2 answers that, as she said, they want to expand to TikTok and continue boosting engagement on their Instagram account. She says that they already have a lot of features for shopping experience through social platforms, such as tagging products on their Instagram feed. She thinks that in the future, the importance of social commerce will increase.

B3 already mentioned that he sees potential in social commerce and that they have already thought about possible approaches in-house. Moreover, he sees the possibility of targeting impulsive buyers to shop through social commerce. He sees potential in irrational buyers to help grow the B2C market, which is currently small. He gives the example of an impulsive buyer: »Whoa, I want that. That looks good. And even that famous guy is promoting it.« He adds an example of a situation where the impulsive purchase has a really low possibility: »Father needs to buy gear for the family. In two weeks, they're going on ski holidays. It's hard that he would impulsively buy it from the social media post because you would need to have the post made exactly for him.«

B4 thinks that social commerce is gaining importance. She explains: »I think that Instagram is slowly becoming an app for shopping. I can see it being just that in the future. I think that people, a lot of people will go somewhere else for personal things, and they will just come to shop on Instagram. I feel something like that can happen.« However, she acknowledges that they do not have any special plans for the development of social commerce for now. She continues by saying that Instagram's and other platforms continuous changes are closely

related to the growth of social commerce. Especially if your business is present in numerous marketplaces where changes happen at different paces and in various forms. She gives an example: »Something new comes out, and I'm like, okay, so Poland has it, but Croatia doesn't. I remember when Reels were being introduced. And it was so weird because it was only working there… I had no idea at some point. Is it gonna post as a normal post or as Reel, or what's going on…«

B5 predicts that the importance of social media and selling through it will increase but does not give any explanation as to why she thinks so. She adds that they have not thought about social commerce yet. Consequently, they have no specific plans for the future. As far as product testing is concerned, they sell insulated bottles and do not experience issues, such as sizing in the case of apparel or shoes. In her opinion, all the necessary information is written on the page. They also put emphasis on an easy return process.

The content creation manager (R1) specifies that in the future, they want to focus more on soft selling. She explains that means increasing the number of the selling posts but doing it in a more lifestyle way: »So we want to create content that explains the products, why they are good. Basically to focus more on the user and his experience than the product itself.« She emphasizes that social media must be seen as a support channel to other digital marketing activities. She concludes that, in her opinion, social commerce will have even more importance in the future. Regarding the purchase directly through a social platform, she expresses: »I think that they should make this process simple. Because now we are so busy, and we don't have time to go on the website and buy there. We want to buy on Facebook and on Instagram.«

R2 first explains why he does not have a favourable opinion of selling through social commerce: »The trend of moving my sales to Instagram is not something that I'm very keen about. That means moving my shop somewhere else and making it easier for other people to do the same. So, uh, what I really want as long as possible is to get people to purchase stuff through our own channels so we can analyze, target and retarget them through us. Because moving to platforms like that is about giving away all the power that you actually have. This is not something I'm very happy about…« However, he continues that it is without a doubt an important channel with a lot of potential. He sees it in studying the competitors in larger markets that do not do much in this area.

The head of marketing (R3), similar to the R2, questions how to obtain data from customers for future remarketing: »When the customer comes to your e-commerce shop, he has to usually fullfil some of his data like name, address, email, whatever. Then of course you get this data for future marketing. Probably through app, especially if this is through Apple device that would not be possible I suppose.«

R4 views social commerce as a very convenient approach, particularly in terms of time savings. The customer has everything in one place, without the need for extra browsing to

find an online shop. She also argues that in the future, the older population will probably also use social media for shopping purposes. She emphasizes that the first thing they must do is set up shoppable features that are already available but have not yet been utilized. However, she brought up the possible obstacle of buying outdoor clothing and equipment online.

R5 clearly specifies that yes and no at the same time. It clearly makes sense to make the buying process easier and speed it up. In contrast, she doubts if the technology can be implemented within the market when you are reselling over 250 brands. She also thinks the chances of something going wrong are higher. She adds that another question is about safety and how open people are to trying different forms of e-commerce. Furthermore, she assesses the current state of social commerce: »…we are still pushing traffic to our webshop, but we can definitely see that, um, Meta is trying to basically keep people on the platforms.«

The last question for the first research question referred to the specifics of the products in the outdoor industry. I wanted to know their ideas for how companies could meet the requirements to disclose products as accurately as possible on social media with the goal of selling through it. B1 emphasizes the importance of implementing similar e-commerce features into social media platforms, such as feedback from customers regarding sizing. B2 highlights that free returns and exchanges are the main thing, as they do not have a physical shop. Such an opinion is shared with B4, which believes the best course of action is to inform customers that returns are always possible and to make this process really simple. B5 says all the data is written on a website, so they don't experience any issues. In the opinion of R1, streamlining the return procedure is the major action to take to enhance social commerce.

B3 thinks that social commerce, technical-wise, is at the stage where e-commerce was ten years ago. He further explains: »…to be competing with the shopping experience in-store, we need to have the tools to show better the product in different environments.« He suggests virtual reality and 360 degree views of products.

R2 stresses that as a reseller, you are guaranteeing for products to meet a certain level of quality. When people come to shop, you get a real assistance from shop assistants. Customers trust the brand and their selection of a particular product's offering. He emphasized that the brand is taking the risk for the safety of a products. He may see the solution to social commerce in honest reviews and feedback from the community. But he highlights that it has to be relevant.

R3 sees the enhacement through reviews. Furthermore, she believes that advertising from influencers should be more testing-oriented. They should explain about the materials, technology, and usage. She also thinks about future technology solutions that could allow customers to see products in a similar format online as they can in store.

R4 points out that the advantage for consumers is the rule of the European Union that guarantees the right to return items within 14 days without clarification. Moreover, she

suggests organizing testing days when people could try out products and later order them online. She believes that trying it online in any form is really difficult. A thorough product description can help speed up sales, but it is not the same.

R5 says there are already tools that enable you to sort of try out products in online enrvironments. She specifies: »So basically to see what it will look like on you, on your picture or, um, you know, to see what it would look like in augmented reality where you are.« She emphasizes the omnichannel approach they are using, which she believes provides customers with a seamless experience. They have the option of free delivery, and you can send products to your nearby shop and try things out before you buy them. Ideas for enhancing social commerce in outdoor industry can be seen in Table 14.

Table 14: How to enhance social commerce in outdoor industry

Interviewee code	Ideas to enhance social commerce
B1, B2, B4, R1	Make easy returns and exchanges processes
B1, R2, R3	Obtain honest and relevant feedback
B3, R3	Use virtual reality for product presentation
R4	Organize testing days
R5	Offer free delivery
R5	Use omnichannel approach

Source: Own work.

The second research questions, I was exploring was: »What is the role of social media and social commerce in the outdoor industry as a means to improve existing products and facilitate product co-creation and innovation?« For this question, I included only companies that sell products under their own brand.

B1 stresses they do not use social media for such purposes. In contrast, B2 says that they are constantly using social media for that purpose, but in two ways: to search for fresh ideas for new products and to develop new products or improve existing ones based on customer feedback. B3 also claims they constantly monitor reviews from customers on social media and pass them on to the innovation department. The most important stage, where they use social media, is during the development phase. They have a prototype version of a ski and a special hashtag that people need to use during testing. In that way, they get a live opinion: »We already get feedback when they are testing it and then in the end, they write a report. We saw that this real-time social media posting when they were testing the skis started to be more relevant for us than the end report that they do.« He emphasizes that social media is a playground where you can interact with those people naturally, and develop a conversation. He supports the statement that it is best that all can happen inside social media: »You don't need to develop some kind of new platform where nobody remembers login data

and everything. Instead, all of that happens a bit undercover on a platform where everyone is present.« He explains that a community is created and people feel connected to each other because they are all testing the same product.

B4 insists that it is good to include customers in a product innovation, but with a margin of safety. She outlines that it is good that people feel they add value to the company. However, she stresses that sometimes consumers do not really know what they actually want. They had a bad experience when they launched a product that people wished for, but at the end, the sales were really low. The social media manager (B4) mentions an example when they developed more sustainable leggings, made from bamboo. Based on the Instagram feedback, they recognised people's enthusiasm for the idea. Everybody loved it. When they developed it, there were almost no sales as the price was reasonably a bit higher. So, that was a huge mistake, and it cost them a lot. She explains further: »I think you need to consider who your core audience is. What is truly important to them? Not just in a way like, yeah, I care about Earth, let's do this. Are you prepared to pay 20% more to do that? Maybe questions should be like that, but I feel like brands don't really wanna go there.«

B5 confirms that they do use social media for product development purposes. For example, they announce six months in advance that a new product is coming and ask followers for their opinion on the colours. Examples of product improvement can be seen in Table 15.

Table 15: Examples of product improvement based on consumers' feedback from SM

Interviewee code	Example of product improvement and/or development
B2	1. »Our first leggings had some issues with the material. We immediately changed the material.« 2. »Furthermore, customers also wrote to us expressing the wish to have a tall version of our leggings, and next season, we added also this version. «
B3	»…So there was a pink color somewhere in the skis, and we started getting feedback that this pink color is cracking. You could see that the material on the top of the ski peels off only where the pink part is. With this feedback, R&D realized that something in the digital prints is wrong with this pink color because you could see that the ski is all good, but only the pink parts are ripping off….they of course, tested it in the laboratory here, and figured it out how to make it right in the printing. Currently, there is no failure in the product anymore. «
B4	»The stitch that goes between your legs that usually women hate. There was a lot of complaints about that. So with the new collection, we made a different type of stitch. «
B5	»The customers told us they have problem with leaking. So, we found out that we had some series of a bottles without leak-proof caps. Based on their feedback, we did some changes in the production.«

Source: Own work.

I asked them what the opportunities and challenges are that they see in SM as a source for product development or improvement. B2 says the opportunity is that everybody can say their opinion. However, she continues that it is not always good to listen to all. She insists that, of course, you need to listen, but at the end, you decide what will benefit your company and what can possibly harm it.

B3 sees social media as a feedback provider and an opportunity for their company to get reviews from relevant users. He gives an example: »So let's say good example are women's skis where real woman can say what they like and what they don't like. Not that the guys who are older men that make women's skis black.« He also says, that for gathering feedback they use Instagram stories, e.g. polls and multiple answer questions. For example, they have an idea in-house about the ski color, and they test it on Instagram. So, these guidelines serve them in their further development.

The main opportunity for B4 is easy access to its core audience. In contrast, B4 emphasizes the importance of a selective approach in the same way that B1 does. She notes that it is difficult to define when someone is being honest, with serious intentions, or just answering something out of boredom or curiosity. The statement below provides an explanation why companies should not take opinions too seriously: »Cause sometimes, you're on Instagram, just checking stories, you're clicking something without reason. You can't make a strategy from that. Because it's too risky.«

B5 believes that building connections with the community is a great opportunity. What is more, customers understand their value when you make product improvements based on their experience. As a challenge, she points out the need for continuous presence to get the relevant information from customers. The opportunities and challenges of SM as a source for product development or improvement can be seen in Table 16.

Table 16: Opportunities and challenges of SM as a source for product development or improvement

Interviewee code	Opportunity	Challenge
B2	Everybody can express their opinion	Which opinions to take into consideration
B3	Getting real feedback from real users of products	How to monitor and gather all information
B4	Easy access to your core audience	How to find out the sincerity of someone on the other side
B5	Establishing valuable relationship	The need for continuous presence to monitor feedbacks

Source: Own work.

The last but not least resarch question is: »Which factors are most frequent for engaging customers in social media and social commerce?«

I asked them which initiatives they use to encourage consumers. B1 explains that for social media, their main key performance indicator is never selling, so engaging consumers is not their priority. She gives an example of a very rare selling-oriented post: »Maybe twice a quarter there will be a new campaign for these amazing running shoes in which somebody won the New York Marathon. There will be a link to the exact item.«

The founder and marketing employee (B2) explains that for engagement, they use collaboration posts and giveaways. In Instagram stories, they use polls and ratings. What is more, they are re-posting content from customers to engage with them even more.

»Engagement I think mainly comes from the copywriting and how the things are posted.«, argues the Global Head of Digital Commerce (B3). He explains that you need to include statements that encourage followers' participation, for example, »what do you think about this?« However, he believes that ambassadors must first take action to get the snowball rolling. If not, people are too scared to be the first to involve themselves in a conversation.

B4 believes that the messaging and the copies have to be more sales-oriented in social commerce. You need to create awareness that certain campaigns are happening. Then, you need to ensure that the process of directing them to the shop is effortless. That means consistently including the links that lead to the shop and having more aggressive call to actions: »A big thing that we do is this last day approach. Hurry up! It's the last day, blah, blah, blah.. It's so overused, but it just works.« For general social media engagement, she insists that the most important thing is content and a good analysis of competitors. Her analysis also covers consumers' analysis market by market, and then she tries to upgrade it.

B5 argues that the easiest way to facilitate customer involvement is to communicate with them through Instagram stories. They would ask them questions, not directly connected to a product, e.g., »how did they spend the weekend?«, or directly connected to the product, e.g., »for which activities do you use our bottles?«

R1 says that the content needs to be relevant to the followers' interests and hobbies: »When it comes to social media, you have to be aware of what your followers want to hear and on what topics they want to engage.« Here is an example of a post category that has been used for five years but still achieves the best engagement rates: »We have one category guess the mountain and we just put a cute picture of this mountain and we get about 200 or 300 more comments from people.« She explains that people like to be smart and participate in quizzes: »…this is actually a good way to engage them so they can share their knowledge and interest.« Additionally, she has found that posts with humorous content perform better than those with strict content.

R2 emphasizes that engagement initiatives used to work in the past. They made several attempts, but with little luck, as the algorithms were changed. An approach that is indirectly connected to social media is that they ask people every year to contribute their pictures for the annual calendar, and then they offer it. The response is always great.

Giveaways and trying to involve customers in sharinh their opinion with us are the main things according to R3. The engagement tool they use for sharing their opinion is, for example, the Q&A option on Instagram.

The social media manager (R4) admits that they their goal is not to engage consumers. She explains that they have tried in the past to encourage followers to share their views, but without success.

Engaging content is the primary driver of engagement for R5. To add even more engagement, the well-performing content is boosted. For social commerce, it's important to have clear communication. She specifies: »So, click here, buy that, see this, if you like it vote for the outfit…you have to be basically straight to the point, very clear, very simple. «

For the last question, I asked them what the role of such actions is and how engaged customers impact the operations of the firm. According to B2, engaged customers boost reach, which consequently means cheaper advertising. B3 notes that more engagement means higher reach: »It's really connected to the algorithm. If you post and there is five likes and nobody comments, you fail in the reach.« B4 has no data available about the impact. B5 sees engagement in building trust and showing value to the customers: »Through engagement, you can connect with them, and they feel that they're not just a number on the other side. So, I think that's important that they feel they are a part of your community« R1 says that when customers are engaged, the probability that other posts will be shown to them is higher. Also, the profitability of some endorsements increases. R2 sees engagement more widely and argues that perceiving engagement just through social media is too narrow. He says that by engaging people, they would like to have them connected to the brand.

The aspect of sharing a good word not only online but also in person is emphasized by R3. In her opinion, engaged customers play ambassadors for a brand. »And it's for free,« she adds. R4 believes engaged customers have no effect, while R5 thinks their feedback and ideas to improve the company are very welcome. Furthermore, if they are engaged, they are more likely to recommend your company to their friends, consequently growing awareness about your company. What is more, they contribute value with their content, which drives better results regarding SMMS.

Approaches for engaging consumers can be seen in Table 17.

Table 17: Engaging consumers in SMMS and SC

Interviewee code	Engagement initiatives	Impact on company
B1	None	/
B2	Collaboration posts, giveaways, polls, ratings, reposting UGC	Higher reach
B3	Including statements that encourage participation	Higher reach
B4	Aggressive call to actions, sales-oriented content	/
B5	Communication with followers through Instagram stories (Q&A)	Building trust and showing to customers their value
R1	Relevant content for the audience, trying to involve them	Higher reach
R2	Anual initiative that followers contribute pictures for calendar	Making them connected to a brand
R3	Giveaways, Q&A	Spreading word-of-mouth
R4	None	/
R5	Relevant content, clear and simple call to actions	Spreading word-of-mouth, Increasing brand awareness

Source: Own work.

7   DISCUSSION

As previously addressed, the goal of the research was to discover the interplay between social commerce and social media marketing development in the outdoor industry. This study represents an analysis of the current SMM situation, and an assessment of current activities related to social commerce in the outdoor industry. It also examines the future of social commerce from the perspective of marketing professionals. Several key findings emerged from the research results.

In the first research question: »How do companies define social media marketing and social commerce, and what is the current adoption in the industry?«, I found out that the interpretations of these two terms differ but hold some common points.

For social media marketing, the perceptions most commonly refer to the consumers, such as establishing relationships with them and building community. Furthermore, the immediate access to consumers was found to be the main advantage of using social media for business purposes. Another benefit seen by representatives is again keeping focus on customers, and that is social media as an additional or even primary channel for customer support. This backs up the findings from Marsden (2010). Both of the observed groups understand SMM in connection to customers and building relationships with them. Therefore, the research did

not indicate a significant difference in understanding SMM between the two types of companies. However, there is a difference in prioritizing stages when developing SMM strategy. The main priority for brand owners is engagement, while for resellers, outcome analysis is the most important thing.

On the other hand, selling through social media and finding ways to navigate consumers from a social platform to an e-commerce website are the focus of the interviewees' social commerce understanding. Redirecting a customer to a selling platform, most commonly through promotions, was the primary topic of discussion. However, two of the interviewees mentioned live shopping, which shows their understanding of social commerce goes further compared to others. Both were representatives of a company that has its own brand, which implies that brands have a higher awareness of what social commerce offers compared to resellers. Social commerce is also perceived as a set of activities for facilitating customers' decision-making processes. For example, by offering special coupon codes. Furthermore, the data obtained from social commerce serves as a tool for aligning marketing initiatives to drive sales. Besides the above-mentioned difference, the understanding of social commerce is similar between brand owners and resellers. All the perceptions from interviewees were sales-oriented, regardless of the type of company. Therefore, there is no significant difference in the definition of social commerce between the two observed groups.

The relevance of SMM strategy for companies varies widely. I have found a correlation between the perceived importance of social media marketing strategy and its sophistication. The greater the perceived importance, the greater the completeness of a SMMS and its connected activities. When companies in the outdoor industry develop SMM strategies, they put emphasis on engagement, competitor analysis, and outcome analysis. The results of the research indicate there is no significant difference between brand owners and resellers.

When it comes to SMM usage, the most common objective is to drive traffic to the company's websites. The second most frequent goal is to increase brand awareness. Some of those that do not have a really defined SMM strategy said that they are struggling to measure the effects of social media initiatives, which coincides with the Oyza & M. Edwin's study (2015). Relationship quality was emphasized by many, which goes in line with the M. N. Hajli (2014) and Liang et al (2021) findings. However, I found a connection between the stated SMM goals and the metrics they measure. For example, B3's main priority for SMM usage is to increase engagement, and their ROI metric is engagement rate. The research found no difference between brand owners and resellers.

The current adoption of social commerce varies from company to company. More than half of respondents did not have data about the share of social commerce sales. For those who had it, the share varied from 80% to less than 5%. The majority agree that social media marketing and social commerce hold potential but are concerned about how to take advantage of them. What they observe is the weak activity that larger competitors have with marketing activities or any other activity on social media.

The interviewees point out that adoption in the outdoor industry is generally lagging behind. This connects to the common SMM disadvantages mentioned by the interviewees, which are the saturation of advertising on platforms, the difficulty of measuring the effects of social media activities, the need for continuous availability, and the high cost of sponsored content. However, the ability to see the effects of SMM depends on the approach businesses have for SMM. For example, if a company uses only influencer marketing, the direct effects can be easily seen. Yet the indirect impact is hard to measure. Furthermore, the products in the outdoor industry are very specific, which certainly contributes to the poor acceptance of social commerce. Pre-purchase testing and quality assurance play a major role in the industry. 40% of respondents agree that with easy return and exchange processes, social commerce could be enhanced.

More than half of the respondents believe that people will be keen on buying things through social media apps in the future and that the importance of social commerce will increase. However, others are not so convinced. They argue they would have less control over the buying process, wonder how to obtain data for analytics to better understand customers and be able to perform remarketing, and question the data privacy aspect.

To summarize, building relationships and building community were the most frequent mentions in the course of conversations in connection to both terms, regardless of the company type. Both brand owners and resellers have the goal of selling through social media. However, brand owners use social media to increase other aspects that can potentially improve the outcome, such as brand awareness, brand values, and others.

For the second research question, »What is the role of social media and social commerce in the outdoor industry as a means to improve existing products and facilitate product co-creation and innovation?«, I can confirm that social media is important in improving existing products but less so in developing new ones. The companies value the easy access to their product users and the relationships they can build with them. Consequently, they can gain feedback on a larger scale and with greater ease. However, they are aware that not all opinions are constructive, so they need to be careful which ones they actually take into account in order to contribute to an actual product improvement.

The third research question was, »Which factors are most frequent for engaging customers in social media and social commerce?« Three out of ten companies do not or very rarely use approaches to actively engage their followers. The other seven companies try to engage customers by communicating with them through social media features, such as Instagram stories. Furthermore, other approaches include engaging them in conversation through relevant content they can identify with and communicating clearly. Clear communication may be achieved through a straightforward call to action, by consistently including the links that lead to the shop, and by including statements that encourage participation. According to marketing experts, the most common impact engaged customers have is increased reach and word-of-mouth spread.

The interplay between SMM and SC can be seen in the Figure 9.

Figure 9: Interplay between SMM and SC
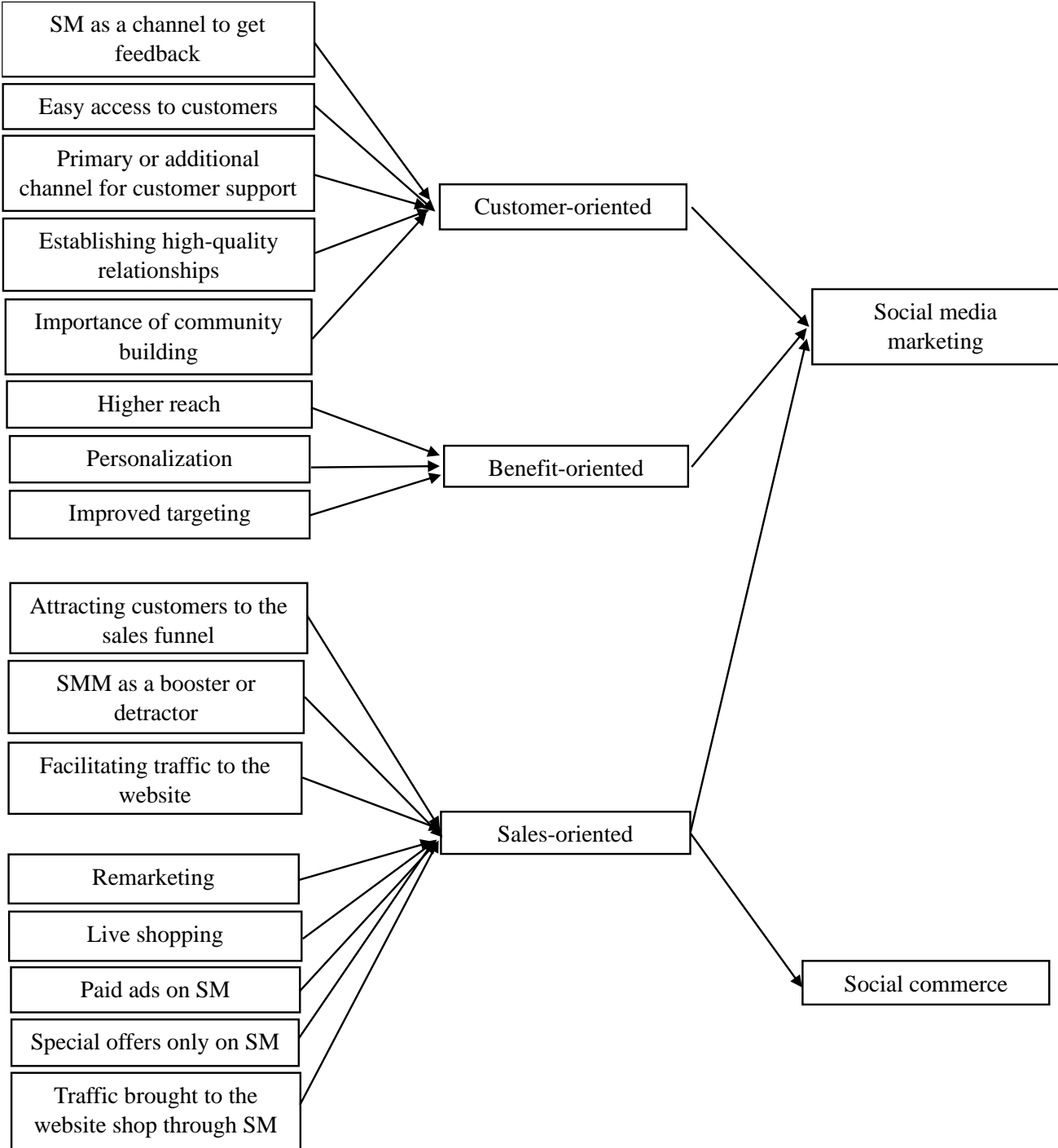
Source: Own work.

7.1 Managerial Implications

The results of this study provide several guidelines for marketing practitioners when developing a social media marketing strategy and trying to increase sales through social commerce. The insights cover three thematic strands: social media marketing strategy and social commerce, the usage of both for product innovation and product improvement, and the engagement aspect, which is intertwined with both previous themes and was the focus of the interview discussions.

The most important factor to take into account when considering the use of social media for marketing purposes and trying to sell through social platforms is creating genuine relationships with the audience and building the community. There are a few approaches provided in the research to connect with the audience and achieve higher engagement, such as being consistent with the values you stand for and the content you post regardless of the trends. For building community, the value you show to your audience and the trust factor are very important.

When developing a SMM strategy, managers must consider the drawbacks of SMM in order to reduce the likelihood of them occurring and negatively impacting operations. The most frequently mentioned is the saturation of marketing-related content and ads. Therefore, I suggest that the content and ads are well thought out and designed to stand out from the rest. Of course, in a good way. In contrast, the immediate access to the consumers is one of the key advantages. Seek for the relevant feedback and possibilities it holds to improve or innovate new products.

Define SMM goals and set ROI metrics to measure social media activities according to the defined objectives. Not all metrics are relevant for all companies. First, it all depends on the overall strategy of the company and then on the intentions the company has with social media marketing and selling through it.

When developing a social commerce strategy, consider the emerging trends in online shopping for outdoor products. Live shopping is a new yet groundbreaking concept in the Chinese market. TikTok is another platform that holds potential for social commerce. Increased competition due to the rise of outdoor brands during the COVID-19 pandemic. Consider the fact that people are not looking just for functionality and quality anymore but also for the good appearance of clothes and equipment. Also, for the purpose of posting on social networks.

To facilitate social commerce development in the outdoor industry in the future, managers must ensure easy return and exchange processes and strive to obtain honest and relevant feedback. Furthermore, they should think of technological advances that allow for more innovative and effective ways of presenting a product.

Last but not least, to engage consumers, connect with them through social commerce features such as Q&As, encourage them to participate in your social media activities by including encouraging statements, organizing giveaways, and posting relevant content to them, that they can identify with. We can view engagement as a prerequisite for allowing companies to carry out social commerce activities.

7.2   Theoretical Contributions

The research provides several contributions to the theory of social media marketing and social commerce. Firstly, it analyzes SMM and SC on their own and continues to explore their interactions. It dives deeper into understanding how those two concepts are intertwined, what the synergies are, and how they can be reaped. Thus, the thesis advances our understanding of these two concepts and their interlinkage.

Secondly, it explores the understanding of SMM and SC from the perspective of outdoor marketing experts. Therefore, the findings of the research contribute to the knowledge of theoutdoor industry that has been neglected in relation to social media and social commerce.

Lastly, the results compare two groups of companies from the outdoor industry whose operations are based on different business models. The first set of companies has its own outdoor brand, whereas the second group resells outdoor products from various brands.

7.3   Research Limitations and Further Research

Throughout the course of the research, certain constraints and limitations were encountered. Firstly, I had difficulty finding respondents from key players in the outdoor industry willing to participate in the research. Especially when I mentioned the fact that I would interview them. As a result, I had to focus my analysis primarily on the Slovenian market, and the total number of interviewees is ten.

Secondly, although all interviewees were marketing professionals involved in marketing activities, their job positions slightly differed. Therefore, their opinions and perspectives are based on what they deal with on a daily basis and, consequently, have the most knowledge of. For example, it is reasonable that a content creator manager put the most emphasis on the content on social media and how it can be used in marketing and selling during the conversation. Thus, at a certain point, the answers may not be fully relevant for comparison because of the subjective factor related to job position.

Another limitation is that social commerce is not yet fully developed in the regions where companies operate. Therefore, the full advantages of social commerce could not be assessed and analyzed. As for the full functionality of social commerce, I could only ask them what they thought of it and whether they had any plans for the future.

With further research, it would make sense to extend my work by including more companies in the research, including brand owners and resellers. This would increase the reliability of the results. Moreover, such research may extend the comparison between two types of companies.

What is more, it would make sense to include companies from regions where social media platforms already offer all the features of social commerce. That means allowing customers to complete the transaction directly through a social media platform. In that way, we could see if the adoption of SMM strategy development and social commerce differs in markets where social commerce is available in full functionality, and if so, how.

8   CONCLUSION

Social media marketing is an important part of today's marketing activities for companies. With the widespread adoption of social media and the way it is used by consumers, have enabled businesses to use innovative approaches to attract new customers and retain existing ones. The development of SMM strategies is an important part of SMM. It needs to be set in order to achieve goals. Additionally, social media is a source of valuable information and opportunities for obtaining relevant data to enhance the SMM strategies.

Furthermore, social media makes the audience warm enough to be willing to participate in social commerce activities. The goal of such initiatives is encouraged users to engage in social commerce activities, such as exploring catalogues on social media profiles, visiting a company's website, and completing transactions there. In essence, social media activities are focused on building relationships with consumers, while social commerce is seen as a tool to pull a customer into the sales funnel and guide them through the buying process. In the social media marketing strategy, the results from social commerce are the main priority. Many times, SMM and SC are seen as one and the same, as evident from the lack of clear distinction between the two concepts during discussions. Therefore, it can be summarized that SMM and SC are highly intertwined and mutually influential.

Both brand owners and resellers share a similar perspective on SMM and SC. All are aware of the importance of giving attention to a customer and building community around a product or service. However, companies that have their own brand demonstrate a greater awareness of novel social commerce approaches. Moreover, the latter are also inclined to leverage social media's potential to yield additional benefits, such as increased awareness and the spread of word-of-mouth.

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APPENDICES

Appendix 1: Povzetek (Summary in Slovene language)

Z rastjo rabe družbenih medijev so podjetja ugotovila, da take platforme ponujajo dobro priložnost za monetizacijo in povečanje prodaje. Trženje prek družbenih omrežij je postalo pomemben del trženjskih aktivnosti. Bistvo takega trženja je v soustvarjanju vrednosti s pomočjo oblikovanja skupnosti in zbiranjem koristnih informacij o kupcih. Za uspešno ustvarjanje in zajemanje vrednosti pa je potrebno razviti strategijo za družbena omrežja. Izkazalo se je, da imajo podjetja, pri razvijanju strategije in njihovem umeščanju v celovito strategijo podjetja, težave (Zahay, 2021).

Danes podjetja za izkoriščanje prednosti družbenih omrežij uporabljajo raznolike in inovativne pristope. Na primer, trženje produktov in storitev s pomočjo vplivnežev je postalo pomemben vidik prodaje prek družbenih omrežij (S. Zhou et al., 2021). Prodaja prek družbenih omrežij (ang. Social Commerce) je izraz, ki opisuje sinergijo med družbenimi omrežji in trgovanjem preko spleta. Nanaša se na uporabo medijev, ki omogočajo interakcijo med uporabniki omrežij, in predstavlja pomoč pri nakupnih aktivnostih. Prodaja prek družbenih omrežij ustvarja možnost za povezovanje in nakupne dejavnosti (Wang & Zhang, 2012). Podjetja raziskujejo katere so specifične spremenljivke, ki bi spodbudile nakup s strani uporabnikov omrežij. Te spremenljivke so širjenje mnenja od ust do ust, upravljanje skupnosti, ki je zainteresirana za tvoje podjetje in njegove produkte. Poleg tega tržne aktivnosti vključujejo tudi ustvarjanje spodbud kot so nagrade in upravljanje odnosov s strankami, da bi jih spodbudili k nakupu (Kazmi, 2021). Za podjetja prodaja prek družbenih omrežij pomeni poslovanje prek družbenih omrežij. Uporablja se kot sredstvo za privabljanje večjega števila potrošnikov in zvestih strank. Uporabniki družbenih omrežij soustvarjajo vrednost podjetja in služijo kot generator prihodkov (Yu et al., 2020).

Da podjetja lahko prodajajo oblačila, obutev in opremo za zunanje aktivnosti prek družbenih omrežij pa morajo slediti številnim dejavnikom in trendom, značilne za to panogo. Trend, ki vpliva na oblikovanje trga z oblačili in drugo opremo za aktivnosti v naravi je razširitev iz segmenta B2B na segment B2C (Rotar, 2021). Splošen trend je, da se je med potrošniki povečalo zanimanje za gibanje in aktivnosti na prostem. Ena od posebnosti panoge je, da se prodaja večine teh izdelkov še vedno zgodi v fizičnih trgovinah. Posameznike, ki produkte kupijo preko spleta, v to prepriča večji nabor izdelkov, ugodnejša ponudba in enostaven nakupni proces (Ludwig et al., 2021). Področje oblačil, obutve in druge opreme za zunanjo uporabo, v povezavi z družbenimi omrežji in prodaje preko le-teh, še ni dobro raziskano. Večina dosedanjih študij raziskuje sektor mode, luksuznih izdelkov in avtomobilizma (J. Y. Zhang & Su, 2022). Prav zato je raziskava te panoge zanimiva.

Namen magistrskega dela je analizirati medsebojno povezanost med trženjem prek družbeniih omrežij in razvojem strategije trženja na družbenih omrežij v panogi z oblačili za zunanje aktivnosti. Poleg tega je namen ugotoviti, kako lahko vodje trženja izkoristijo naraščajoči vpliv, ki ga imajo družbena omrežja na interakcijo s strankami in jim pomagajo izoblikovati strategije, ki jim bodo pomagale povečati prodajo. V magistrski nalogi so

podani tudi predlogi za ustvarjanje učinkovite strategije za prodajo prek družbenih omrežij v omenjeni panogi. Poleg tega da tudi vpogled v vlogo strategije prodaje prek družbenih omrežij za izboljšanje obstoječih izdelkov ali pa razvoj novih. Naloga prispeva k boljšemu razumevanju teh konceptov, saj predhodno literaturo še podkrepi s primeri iz prakse, ki so pridobljeni na podlagi intervjujev. Glede na kontekst panoge raziskava analizira, kako lahko vodje trženja izkoristijo družbena omrežja za povezovanje s strankami.

Cilj magistrske naloge je opraviti intrervju z desetimi podjetji, ki prodajajo oblačila in ostalo opremo za zunanje aktivnosti. Predstavnik podjetja je vodja trženja ali primerljivo usposobljen strokovnjak, ki prisustvuje k oblikovanju strategije za družbena omrežja. Cilj raziskave je s pridobitvijo vpogleda v to panogo s pomočjo intervjuvancev ugotoviti, kakšno vlogo ima strategija pri pridobivanju novih kupcev in pospeševanju prodaje prek družbenih omrežij.

Da bi dosegla cilje, sem oblikovala sledeča raziskovalna vprašanja:

- RV1: »Kako podjetja dojemajo trženje in prodajo prek družbenih omrežij in kakšna je trenutna uporaba v panogi?«
- RV2: »Kakšna je vloga družbenih medijev in trgovanja prek njih v panogi z oblačili, čevlji in ostalo opremo kot sredstvo za izboljšanje obstoječih izdelkov ali razvoj novih?«
- RV3: »Kateri dejavniki so najpogostejši za spodbujanje vključevanja strank na družbenih omrežjih in nakupovanja prek družbenih omrežij?«

Magistrska naloga je sestavljena iz teoretičnega in empiričnega dela. V teoretičnem delu sem pregledala obstoječo literaturo in že znane koncepte o trženju na družbenih omrežjih in prodaji preko njih. Poleg tega sem opisala panogo z izdelki za zunanje dejavnosti, na splošno in v povezavi z družbenimi omrežji. Po poglavju, kjer so predstavljeni rezultati, sem predstavila priporočila za vodje trženja. Nadaljevala sem s teoretičnimi prispevki s področja trženja in prodaje prek družbenih omrežij in panoge z izdelki za zunanjo dejavnost. Nato sem izpostavila omejitve raziskave in možnosti za nadaljnjo raziskavo. Naloga se zaključi s sklepom. Vprašanja, ki sem jih zastavila intervjujancem so na voljo v prilogah.

Zakaj raziskujem medsebojno povezavo? Glede na prebrano literaturo je razvidno, da se razumevanje povezave med tema dvema izrazoma razlikuje. Avtorji ponujajo različne poglede na to, kako prodaja prek družbenih omrežij vpliva na strategije trženja preko družbenih omrežjih. Nekateri menijo, da je dobra strategija za družbena omrežja bistvena za uspešno prodajo preko le-teh. Ta podjetjem pomaga pri navezovanju in ohranjanju stikov s ciljnim občinstvom. Drugi raziskovalci pa poudarjajo potrebo po vključitvi funkcij prodaje preko družbenih omrežij v platforme, predvsem za nemoteno nakupno izkušnjo. Te razlike odražajo spreminjajočo se naravo družbenih medijev in prodaje preko njih ter stalno raziskovanje o njuni povezanosti in medsebojnem vplivu.

Appendix 2: Interview Questions

RQ1: How do companies define social media marketing and social commerce, and what is the current adoption in the industry?

1. How would you define social media marketing?

2. How do you perceive the importance of a clearly defined social media marketing strategy and how would you assess yours?

3. What are your specific drivers to use social media for marketing purposes and what are your most frequent goals for social media marketing activities? (e.g., increase brand awareness, increase customer engagement, increase eWOM, increase sales through the platform)

4. What is your standpoint on social commerce? Which actions need to be completed by customers so that products can be categorized as »sold through social media«?

5. What is the approximate share of sales through social commerce (or if they don't know, I will ask them about sales directly through Instagram shopping)?

6. Current research from Hugh Fletcher (2022) found that 56% of consumers worldwide prefer to finish transactions on social media. Do you feel that social commerce is gaining importance in these outdoor activities markets, and do you have any action plans underway for the future development of social commerce?

7. How do you see the future of a seamless shopping experience directly through a social platform without the need to visit the brand's e-commerce website? Learning about the product, gathering information, reading other people's opinions, or asking users to share feedback, and then making a purchase all within the social media platform?

RQ2: What is the role of social media and social commerce in the outdoor industry as a means to improve existing products and facilitate product co-creation and innovation?

1. Many authors described the unused potential social media and social commerce have connect to product co-creation and innovation. Do you use social media for these purposes and if yes, in which part of product innovation do you use social media and social commerce? (To gain insights, learn from customers, for product launches)?

2. Can you share with us one example when a customer reviewed your product through a social platform, and you improved existing product or created a new one based on this feedback to meet the needs of clients?

3. What are, in your opinion the opportunities and challenges of social media as a source of information for product development?

RQ3: Which factors are most frequent for engaging customers in social media and social commerce?

1. Firms' social media engagement initiatives are the inputs for a successful social media marketing strategy. What are your social media engagement initiatives?

2. What is your trigger to increase the engagement of customers? Customers reported that they primarily increased shopping through social media because of discounts and exclusive offers.

3. How do engaged customers impact the operations of your company?

Appendix 3: Companies at a Glance

Interviewee code	Brief company description
B1	Global sportswear brand specializing in designing, manufacturing, and marketing a wide range of athletic footwear, apparel, and accessories.
B2	Slovenian brand specializing in sportswear for outdoor women.
B3	Slovenian brand producing sporting goods, mostly known for skis.
B4	Slovenian brand producing leggings.
B5	Slovenian brand producing termo flasks for outdoor activities and additional accessories for outdoor activities.
R1	Slovenian brand selling outdoor equipment.
R2	Slovenian brand selling clothes, footwear, and equipment for hiking and mountaineering.
R3	Slovenian brand selling clothes, footwear, and equipment for outdoor activities.
R4	Slovenian brand selling clothes, footwear, and equipment for outdoor activities.
R5	International company selling wide range of sporting goods.