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Digital Business Strategy under Social Commerce Competition: How Firms Compete Through Creator Partnerships, Community Engagement, and Live Selling

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Abstract

Social commerce has transformed digital competition by blending product discovery, peer interaction, creator influence, entertainment, and transaction into a single platform-mediated experience. Unlike traditional e-commerce, where firms compete through search visibility, website efficiency, pricing, and fulfilment reliability, social commerce shifts competition into dynamic social environments where attention, trust, and participation are continuously produced. This perspective argues that existing digital business strategy frameworks do not fully capture the competitive logic of social commerce. Strategies designed around owned websites, paid advertising, email conversion funnels, and transactional optimisation remain important, but they are no longer sufficient when consumer decisions are shaped inside algorithmic content feeds, creator communities, and live interactive selling events. The article develops an evidence-based perspective on how digital firms compete through three emerging social-relational capabilities. These are creator partnerships that produce authentic influence, community engagement that generates belonging and loyalty, and live selling that integrates entertainment, interaction, urgency, and immediate purchase. The core conclusion is that social commerce should not be treated as a minor extension of digital marketing. It represents a new competitive battleground in which firms must build capabilities for managing creators, cultivating communities, designing live interaction, and converting social engagement into strategic advantage.

Keywords Digital business strategy, Perspective, Social commerce, Creator partnerships, Community engagement, Live selling

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Introduction

Social commerce has moved from being a peripheral feature of social media platforms to a central arena of digital market competition. Early studies defined social commerce as a distinct form of online exchange in which social interaction, user participation, and commerce are intertwined rather than separated into browsing and purchasing stages [1]. This shift changes how consumers discover, evaluate, and buy products because decision-making increasingly occurs through peer observation, social learning, and embedded recommendations rather than through deliberate search alone [2].

The rise of social commerce also changes the strategic question facing digital firms. In traditional e-commerce, firms could concentrate on website design, search engine visibility, price comparison, conversion optimisation, and logistics execution, but social commerce inserts trust, influence, and community into the centre of competition [3]. Consumers are not merely choosing among products; they are interpreting signals from creators, other users, live hosts, platform algorithms, and community conversations.

https://doi.org//t020830101

This makes competitive advantage more dependent on social credibility and interaction quality than on transactional efficiency alone.

The evidence from social commerce research shows that trust is a central mechanism connecting social interaction to purchase intention. Hajli, Sims, Zadeh, and Richard demonstrate that social networking environments can shape purchase intentions through trust, suggesting that platform-mediated relationships become part of the commercial infrastructure itself [4]. Later work on brand co-creation reinforces this view by showing that social commerce value is produced through information sharing and social media participation, not only through firm-controlled promotional messages [5].

This article asks how digital firms should compete when social interaction becomes the primary commerce channel. Its aim is to articulate a perspective centred on three strategic levers: creator partnerships, community engagement, and live selling. These levers are not isolated marketing tactics; they are social-relational capabilities that enable firms to compete for attention, trust, participation, and conversion inside platform ecosystems.

Central Perspective

The central perspective of this article is that digital competition has entered a social-relational phase. In this phase, firms do not compete only by attracting consumers to owned digital properties; they compete by becoming meaningful participants in social content flows, creator networks, and communities of interest. Research on social commerce usage across platforms such as Facebook and Instagram shows that platform context shapes how consumers engage with commerce, confirming that social commerce strategy must adapt to the logic of specific social environments [6].

Traditional digital strategies remain necessary, but they are insufficient for the competitive conditions created by social commerce. Paid search, display advertising, email retargeting, and website optimisation still support acquisition and conversion, yet they cannot fully explain how consumers respond to creator authenticity, peer endorsement, livestream interaction, or community identity. Consumer brand curation on social shopping sites illustrates that users actively assemble and interpret brand meaning in social spaces, making competition more participatory and less controllable than in conventional e-commerce [7].

The firms most likely to succeed in social commerce will be those that master three linked capabilities. First, they must build creator partnerships that convert influence into credible market access; second, they must cultivate communities that sustain engagement beyond individual transactions; third, they must experiment with live selling formats that merge entertainment, dialogue, and instant purchase. Studies of social media interaction and behavioural engagement indicate that both source characteristics and content factors shape purchase intention, which supports the view that social commerce competition is won through relational design rather than promotional volume alone [8].

Figure 1 presents the social-relational competition framework showing how firms compete in social commerce through creator partnerships, community engagement, and live selling.

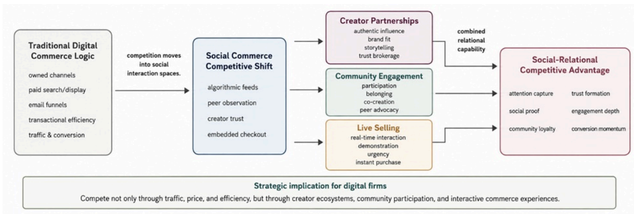

Figure 1. Social-Relational Competition Framework for Social Commerce: Creator Partnerships, Community Engagement, Live Selling, and Strategic Advantage

Social Commerce Competition in Digital Markets

Social commerce is a distinct competitive domain because commerce is embedded inside social interaction rather than placed after it. In traditional e-commerce, consumers often move from need recognition to search, comparison, website visit, and purchase, but social commerce compresses these stages into content discovery, social validation, and immediate action. This is why social learning has become strategically important: consumers observe others, interpret social cues, and use those cues to reduce uncertainty before purchase [2].

A major difference between social commerce and traditional e-commerce lies in how visibility is earned and sustained. E-commerce firms historically relied on search ranking, paid placement, website traffic, and conversion funnels, whereas social commerce visibility depends heavily on engagement signals, platform algorithms, content resonance, and creator-mediated reach. The literature on customer engagement marketing supports this shift by framing engagement as a strategic process through which firms motivate customers to contribute to marketing outcomes beyond direct purchase [9].

Social commerce also changes the meaning of competitive advantage because value is created through participation, not simply through product availability. Customer engagement research shows that engaged customers generate behavioural, emotional, and relational outcomes that can strengthen firm performance over time [10]. In social commerce, these outcomes may appear as comments, shares, user-generated content, livestream participation, creator-led recommendations, community advocacy, and repeat interaction. **Table 1** contrasts social commerce competition with traditional e-commerce competition across key strategic dimensions.

Table 1. Social Commerce versus Traditional E-Commerce Competition: Platform Logic, Value Creation, and Competitive Advantage

Strategic dimension	Traditional e-commerce competition	Social commerce competition	Strategic implicatio for digital firms
Primary competitive arena	Owned websites, marketplaces, search engines, and transactional platforms	Social feeds, creator accounts, livestream rooms, platform communities, and peer networks	Firms mus compete inside socia attention environmen rather than only driving traffic to owned channels
Discovery logic	Search-driven, need-led, comparison-based product discovery	Algorithmic, entertainment-led, peer-influenced, and creator-mediated discovery	Product discovery must be designed a content anc conversatio not only as catalogue exposure
Trust formation	Reviews, ratings, website reputation, payment security, and fulfilment reliability	Creator credibility, peer endorsement, community validation, live interaction, and authenticity cues	Trust must be manage through relational signals as well as technical an transaction reliability
Value creation	Efficiency, assortment, price, convenience, fulfilment, and usability	Engagement, participation, identity, belonging, influence, entertainment, and instant purchase	Firms need social-relational capabilities that extend beyond e-commerce operations
Customer role	Buyer, reviewer, subscriber, or repeat visitor	Participant, follower, co-creator, advocate, viewer, commenter, and community member	Customers should be treated as active contributors to market visibility an brand meaning
Performance metrics	Traffic, conversion rate, basket size, customer acquisition cost, retention, and fulfilment performance	Engagement quality, creator fit, community health, social sharing, livestream conversion, and influence depth	Social commerce requires broader metrics tha capture interaction trust, and community momentum
Competitive advantage	Operational efficiency, search visibility, assortment control, and	Creator ecosystems, community attachment, live interaction	Advantage becomes harder to copy when firms build durable

	pricing discipline	capability, and social proof	social relationship and participator routines

The competitive challenge is that social commerce blurs the boundaries between marketing, sales, service, entertainment, and community management. Digital customer engagement practices can be categorised in multiple ways, but they consistently show that firms must design interactions that invite participation rather than merely transmit messages [11]. For digital firms, the implication is clear: social commerce cannot be managed as an advertising placement layer added to e-commerce. It requires a strategy that treats social interaction as a core source of market access, trust formation, and competitive differentiation.

Creator Partnerships and Community Engagement

Creator partnerships have become a strategic response to the declining effectiveness of firm-controlled persuasion in crowded digital markets. Influencer marketing research shows that follower count, product fit, and perceived credibility shape brand attitudes, which means firms must select creators for strategic relevance rather than superficial visibility [12]. The central managerial shift is from buying short-term endorsement exposure to building creator relationships that can generate repeated, authentic, and platform-native influence. In social commerce, creators function not only as promoters but also as interpreters, demonstrators, storytellers, and trust brokers between firms and audiences.

The effectiveness of creator partnerships depends strongly on perceived authenticity, message value, and source credibility. Lou and Yuan show that branded content becomes persuasive when consumers perceive both informational value and credibility, while influencer-brand fit research demonstrates that congruence between the creator and the endorsed product strengthens persuasive effectiveness [13, 14]. This implies that firms should treat creator selection as a strategic capability involving audience analysis, content alignment, product-category fit, and long-term reputational risk management. Poorly matched partnerships can create visibility but weaken trust, whereas well-matched partnerships can convert creator identity into durable market access.

Creator partnerships are especially powerful when they connect to community engagement rather than operate as isolated promotional campaigns. Research on consumers' desire to mimic influencers suggests that creators can shape aspiration, identity, and behavioural intention, while later work conceptualises social media influencers as human brands whose relationships with followers fulfil psychological and social needs [15, 16]. These dynamics matter strategically because communities do not merely receive marketing messages; they interpret, circulate, contest, and amplify them. **Table 2** outlines the mechanisms and competitive effects of creator partnerships and community engagement.

Table 2. Creator Partnerships and Community Engagement as Competitive Levers: Mechanisms, Metrics, and Strategic Outcomes

Competitive lever	Core mechanism	Managerial design question	Relevant m
Creator identification	Matching creator credibility, audience profile, content style, and product category	Which creators have influence that is credible for the firm's target community?	Audience ov engagem quality, co consistency brand f
Creator-brand fit	Aligning product meaning with creator identity and audience expectations	Does the partnership feel natural rather than imposed?	Sentime comment q credibili percepti conversio creato
Long-term creator collaboration	Moving from one-off endorsements to repeated co-created content	Can the creator become a strategic partner rather than a paid media slot?	Repeat cam performa creator rete content re audienc response t
Community participation	Encouraging customers to comment, share, review,	How can the firm invite participation without over-	User-gene conten commen shares

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	remix, and co-create	controlling the conversation?	commun growth contribut frequen
Social proof amplification	Turning creator and community signals into purchase confidence	Which visible signals reduce uncertainty for potential buyers?	Reviews, recommend livestrea comments, sharing vel
Loyalty through belonging	Building attachment around shared interests, identity, and repeated interaction	What makes customers return to the brand community beyond discounts?	Repea engagem member rete advocac commun sentime
Creator-community integration	Connecting creators with brand communities through events, challenges, discussions, and live formats	How can creators activate community rather than simply broadcast to followers?	Creator-l commun participat event attend follower-membe conversi

Community engagement expands the competitive value of creator partnerships by turning influence into collective participation. Research on influencer marketing congruence shows that persuasion is strongest when influencers, products, and consumers fit together, while systematic review evidence confirms that influencer marketing effectiveness depends on relational, content, and contextual factors rather than mere exposure [17, 18]. For digital firms, this means that creator strategy and community strategy should be designed together. The strongest social commerce competitors will not simply hire creators; they will use creators to activate communities that sustain trust, feedback, advocacy, and repeat demand.

Live Selling and Customer Interaction

Live selling extends social commerce competition by transforming product presentation into real-time performance, dialogue, and transaction. In livestream shopping, consumers do not only view product information; they ask questions, observe demonstrations, respond to host cues, and experience urgency through limited offers or time-bound interaction. Research on IT affordances in live streaming shows that visibility, interactivity, and guidance can influence purchase intention in social commerce environments [19]. This makes live selling a strategic format that combines content, service, entertainment, and sales conversion in one event.

The competitive strength of live selling lies in its ability to build trust while reducing purchase uncertainty. Wongkitrungrueng and Assarut show that live streaming can build consumer trust and engagement with social commerce sellers, which is important because live formats allow buyers to evaluate both the product and the seller in real time [20]. Unlike static product pages, live selling creates a sense of immediacy and social presence. Consumers can see how products work, hear responses to objections, and watch other viewers react, which turns evaluation into a shared social experience.

Live selling also intensifies the connection between entertainment and transaction. Studies of live video streaming indicate that purchase intention is shaped by the interactive and experiential qualities of the format, while livestream retail analytics research shows that emotional displays can influence sales impact [21, 22]. For firms, the managerial implication is that livestream performance cannot be evaluated only as a sales pitch; it must be designed as a structured interaction environment. **Table 3** summarises the features and competitive impact of live selling as a social commerce strategy.

Table 3. Live Selling and Customer Interaction: Formats, Engagement Drivers, and Revenue Implications

Live selling feature	Engagement driver	Customer experience effect	Revenue implication
Real-time product demonstration	Visual proof, explanation, and practical use display	Reduces uncertainty and makes product benefits	Higher conversion fo products requiring demonstratio

		easier to understand	or reassurance
Host-audience interaction	Questions, answers, comments, polls, and direct responses	Creates social presence and perceived accessibility	Increased confidence and stronger purchase intention
Scarcity and urgency cues	Limited-time offers, countdowns, exclusive bundles, and flash promotions	Encourages immediate action and reduces purchase delay	Short-term sales acceleration and impulse conversion
Community viewing	Shared comments, visible reactions, peer participation, and group excitement	Makes shopping feel collective rather than solitary	Social proof can raise conversion and basket expansion
Creator- or host-led persuasion	Personality, expertise, credibility, humour, and emotional expression	Humanises the selling process and strengthens relational trust	Strong hosts can become recurring revenue assets
Platform-integrated checkout	Embedded product links, instant purchase, saved payment, and reduced friction	Shortens the path from interest to transaction	Converts attention before it dissipates
Post-live content reuse	Clips, highlights, product explainers, and replay access	Extends the value of the event beyond real-time attendance	Generates longer-tail traffic and delayed purchases

The roots of live selling are especially visible in platform ecosystems where entertainment, creator influence, and integrated checkout have developed together. Research on live-streaming viewer engagement also shows that social motivations, including interaction and community participation, can sustain viewer involvement in live environments [23]. This matters because livestream commerce is not merely a video version of e-commerce; it is a social event in which attention, trust, entertainment, and purchase are mutually reinforcing. Firms that treat live selling as a scripted product broadcast will miss its strategic potential as an interactive customer relationship format.

Strategic Responses for Digital Firms

The first strategic response is to integrate social commerce into the core digital business strategy rather than assign it to a tactical social media team. Social commerce research has repeatedly shown that social interaction, trust, and peer influence are embedded in purchase behaviour, which means these dynamics affect market access rather than only communication style [1, 4]. Firms should therefore connect social commerce decisions to product launch planning, pricing, content production, customer service, data analytics, and platform portfolio choices. A fragmented approach will prevent managers from seeing how creator influence, community participation, and livestream conversion interact.

The second response is to build an internal capability for managing creator ecosystems. Haenlein, Anadol, Farnsworth, Hugo, Hunichen, and Welte argue that influencer marketing success requires careful navigation of platforms such as Instagram and TikTok, where creator culture and platform norms shape campaign outcomes [24]. This capability should include creator discovery, contract design, compliance review, content co-creation, performance measurement, and relationship continuity. Firms that treat creators as interchangeable media inventory will struggle to develop the trust and fit that make social commerce persuasive.

The third response is to invest in community infrastructure as a strategic asset. Customer engagement marketing research shows that engagement can generate value beyond immediate purchase, while digital engagement practice research suggests that firms must deliberately design the forms of participation they seek from customers [9, 11]. Community infrastructure includes moderation routines, content prompts, member recognition, feedback loops, creator participation, and mechanisms for converting community insight into product and service decisions. This infrastructure is not merely operational support; it is the basis for durable social advantage.

The fourth response is to redesign performance measurement around social-relational value. In traditional digital commerce, managers often prioritise click-through rate, conversion rate, cost per acquisition, and return on advertising spend, but these indicators do not fully capture community health, creator credibility, peer influence, or livestream interaction quality. Evidence on influencer marketing effectiveness suggests that firms need more nuanced metrics linking creator activity to customer response, relationship quality, and sales outcomes [25]. Digital firms should therefore combine conversion metrics with measures of engagement depth, creator fit, sentiment, community retention, live-event participation, and repeat social interaction.

Figure 2 illustrates the managerial pathway for converting social commerce activity into strategic capability, from platform diagnosis to creator-community-live selling integration and performance learning.

Figure 2. Managerial Pathway for Social Commerce Strategy: From Platform Diagnosis to Creator, Community, and Live Selling Capability Development

Managerial Implications

Managers should begin by reallocating attention and budget from purely paid media toward social-relational capability building. This does not mean abandoning paid advertising; rather, it means recognising that paid reach is less defensible when consumers increasingly rely on creators, peers, and communities to interpret brand claims. Research on electronic word-of-mouth from video bloggers shows that content quality and source homophily influence consumer response, indicating that persuasive power depends on perceived relevance and similarity as well as exposure [26]. Firms should therefore fund creator partnerships, community management, and live selling experimentation as strategic investments, not discretionary campaign expenses.

Managers should also treat community as a competitive asset rather than a communication audience. Social commerce information sharing can support brand co-creation, and this means firms must learn to share control over meaning while still guiding the strategic direction of the brand [5]. The managerial challenge is to create participation structures that invite user-generated content, feedback, advocacy, and peer support without turning the community into an over-managed promotional space. Communities become valuable when members feel that interaction is useful, authentic, and socially meaningful.

Finally, managers should experiment with live selling while building disciplined learning systems around it. Recent work on livestreaming and influencer marketing argues that livestream formats can enrich influencer marketing by combining creator credibility with real-time interaction, which makes the format strategically important for social commerce competition [27]. Firms should test different hosts, product categories, event lengths, promotional mechanics, community integrations, and post-live content strategies. The goal is not to copy platform trends mechanically, but to identify which live formats create trust, engagement, and profitable conversion for the firm's specific market position.

Conclusion

Social commerce is not simply another distribution channel or a new layer of digital advertising. It represents a shift in competitive logic, where discovery, evaluation, trust, community, entertainment, and transaction increasingly occur in the same social environment. Firms that continue to rely only on traditional e-commerce capabilities will struggle to compete in markets where consumer attention and purchase confidence are socially produced.

This perspective has argued that firms need three interdependent social-relational capabilities. Creator partnerships provide authentic influence and access to platform-native audiences, community engagement builds belonging and loyalty, and live selling converts interaction into immediate commercial action. Together, these levers create a new strategic basis for competing in digital markets shaped by social platforms.

The managerial task is to move beyond tactical experimentation and build social commerce into the firm's strategic architecture. This requires new capabilities, new metrics, new organisational routines, and a willingness to share value creation with creators and communities. Future research should continue to examine how social commerce competition evolves across platforms, industries, cultures, and governance environments as firms learn to compete through social interaction itself.

Acknowledgements

None

Conflict of interest

None

Financial support

None

Ethics statement

None

Received: 05 Jun 2026 Revised: 20 Jul 2026 Accepted: 05 Sep 2026
Published online: 18 September 2026

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