

ECONOMIC DETERMINANTS OF THE USE OF SOCIAL MEDIA IN E-COMMERCE

SUMMARY

The economic reality of 21st century is distinctly dynamic. This dynamism results from deep changes in society, evoked by rapid technological progress, especially in the area of market based and social communication, making its mark on the surrounding environment. The progress's dynamics, seen through the lens of the common access to the Internet, changes the everyday life of consumers, their purchasing habits as well as the communication between sellers and buyers. All of that happens considerably quicker than it did in the 20th century. The trade in general, along with its forms and distribution channels, is also influenced by these changes as they broadened its spectrum substantially. E-commerce as a term became more common and widely used and does not evoke doubt or ambiguity about the extent to which it covers the ever-growing branch of worldwide trade.

The aforementioned changes resulting from the universal access to IT & ICT technologies, particularly - the Internet, resulted in the development of new media, which are the direct effect of this universalisation and the secondary source of further technological changes and new forms of social communication. These media, defined as *social media*, originating from the areas of social communication, became a common communication channel for growing number of consumers – participants in the market – with other entities, operating both on the demand as well as the supply's side of the market.

The aim of this **dissertation** is the identification of economic determinants, which are contributing to the universalisation of social media use in e-commerce. The aforementioned popularity of e-commerce is apparent for many, nonetheless – the use of social media in this form of e-commerce might not be equally apparent. Although the initial reason behind the formation of social media was different, thanks to the inventive human nature we can see for ourselves that the growing number of companies use it to achieve certain business goals, especially these related to sales and marketing.

We are on the eve of the mass use of social media for sales purposes. The universal nature of social media resulting from common availability and easy access by mobile devices is one of many arguments in favour of this statement. Although the extent to which they are being used in sales is not impressive, occasionally even marginal, the first attempts to use them commercially broader are encouraging. On the condition that without building a community

around the brand, its sales will not expand on the wider scale. The coming years will undoubtedly transform the face of social media and e-commerce relating to it. All of that will be a result of dynamic technological changes that occur throughout, forcing the change on many habits and everyday routines. Naturally, no one can predict the possible future restrictions and barriers, yet the direction seems to be defined clearly.

Keywords: e-commerce, social media, community, communication, brand building, building community around the brand, digital market, social media sales