

SOCIAL IMPACT OF E COMMERCE IN BALOCHISTAN

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Abstract

This study examines the social impact of e-commerce in Balochistan that the Balochistan e-commerce industry faces, illuminating the region's distinct dynamics within the framework of digital commerce. Using both qualitative and quantitative approaches, the study looks at the present situation of e-commerce in Balochistan, pinpoints the obstacles impeding its expansion, and draws attention to possible avenues for growth. For politicians, companies, and scholars seeking to comprehend and improve e-commerce in this unique and important geographic region, the findings offer insightful information.

1. Introduction

In order to provide light on the unique dynamics of this region in the context of digital commerce, this study explores the impact of social e-commerce in Balochistan. This study examines the current state of electronic commerce in Balochistan, identifies the barriers preventing its growth, and highlights potential opportunities for improvement using a combination of qualitative and quantitative research methodologies. The study's findings offer significant and important information to scholars, companies, and legislators who aim to understand and enhance internet commerce in this particular and vital area.

The largest growth in the spread of social media platforms, which is the main driver of e-commerce adoption in the province, has been observed in Balochistan. Facebook, LinkedIn, and other similar services have been used by numerous large enterprises, small firms, and new initiatives to create their organizations and group accounts. Balochistan really has 2,240,720 Facebook users, ranking fourth in Pakistan. Furthermore, according

to data, Balochistan contributes 5 million video views every day. This is the most YouTube views that a single Internet user can have globally. These astounding findings have given managers, marketers, and business owners a new context for connecting with potential customers. However, despite the fact that customers from other nations, like China, Hong Kong, South Korea, and Thailand, Use internet shopping. Online social media is actively used by primarily female consumers to aid in their purchasing decisions.

1.2 E-Commerce: The definition of "e-commerce" might vary depending on the perspective of the observer or critic. While some authors consider e-business and e-commerce as synonymous, others see a distinction between the two. E-commerce, which involves financial transactions and related costs, is thoroughly examined from a commercial standpoint when comparing the two ideas. Goel (2007) However, this can be defined as the electronic mediation of stakeholder and organization financial transactions. From a broader perspective, however, e-commerce includes a range of commercial activities that go beyond what is often understood to be "commerce" in its strictest meaning and do not usually entail payment mechanisms. Rather, it includes any electronic-mediated transactions between an organization and how it interacts with both itself and other people.

1.3 Prospects for E-commerce Development in Balochistan

To investigate the prospects for e-commerce development in Balochistan, it is necessary to identify prospective growth and development areas in the digital marketplace. The following elucidates the principal opportunities:

1.4 Economic Empowerment

Integrating e-commerce into Balochistan's economy can significantly contribute to the province's progress by stimulating expansion across multiple sectors and fostering a more digitally empowered and inclusive society.

1.5 Market Entry and International Presence: Electronic commerce offers enterprises in Balochistan an avenue to exhibit and vend their goods and services worldwide. They can augment their market presence and potential financial gains by granting local businesses access to a more extensive range of customers, including those in national and international markets.

1.6 Entrepreneurship and Employment Generation: The expansion of electronic commerce can generate employment opportunities across diverse sectors, including customer service, digital marketing, website development, and logistics.(Sundaram, Sowjanya et al. 2018) Furthermore, it allows for the establishment of online enterprises by entrepreneurs, thereby promoting an environment that encourages innovation and independent work.

1.7 E-commerce platforms facilitate the empowerment of local enterprises through the provision of necessary tools and resources to establish an online presence. This entails the development of digital storefronts, inventory management, and online marketing. By utilising the digital economy,

larger-scale competition is attainable for small and medium-sized enterprises (SMEs). (Vashishtha and Kumar 2016) By digitizing processes, automating transactions, and reducing documentation, e-commerce streamlines business operations, resulting in increased efficiency and cost savings. The enhanced efficacy results in financial benefits for enterprises, promoting sustainable operations and bolstering the regional economy.

Digital financial inclusion is facilitated by the widespread adoption of digital payment methods fostered by e-commerce. The increasing adoption of online transactions facilitates the engagement of individuals hitherto marginalized from conventional banking systems in the digital economy, thereby fostering financial literacy and inclusive **Inclusion in Digital**

Digital inclusion and literacy can be significantly advanced in a region like Balochistan through electronic commerce.

1.8 Educational and Informational Resources: E-commerce platforms provide access to knowledge and information. User access is granted to them through product details, guides, and reviews. Digital content consumption enhances individuals' digital literacy by facilitating their navigation and interaction with online information.

1.9 Online Skill Development and Training: E-commerce platforms can host tutorials and training programs online. With these resources, individuals, tiny business proprietors and entrepreneurs can acquire the digital competencies required to participate in the online marketplace. Website administration, online marketing, and fundamental digital literacy may be covered.

Electronic commerce transactions frequently necessitate the implementation of digital payment mechanisms. By conducting business on e-commerce platforms or participating in online purchasing, individuals gain knowledge and experience with digital payment procedures. This initiative promotes financial inclusion and literacy by encouraging the use of digital financial instruments.

1.10 Internet Connectivity and Adoption: The expansion of e-commerce frequently inspires enhancements to the internet's infrastructure. The growing engagement of enterprises and individuals in online activities has generated a corresponding surge in the need for enhanced internet connectivity. This, consequently, improves digital connectivity and accessibility throughout the region.

E-commerce training initiatives can be initiated through collaborative efforts among governments, non-profit organizations, and e-commerce platforms. (Saeed 2023) These programs contribute to digital literacy by educating individuals on the advantages of e-commerce, the methods of navigating online platforms, and the security precautions that should be observed during online transactions.

2. Problem Statement:

This study intends to investigate how the dimensions of social commerce—namely, ratings and

reviews, recommendations and referrals, and forums and communities—impact social trust, which, in turn, could shape customers' value co-creation. We decided to conduct the empirical part of the current study in Balochistan context, which presents a collectivistic culture. Within this context, customers' ability to effectively use and navigate social media platforms enabled us to track user-generated content and reviews and to investigate whether a kind of social trust took shape among those users. In light of the preceding discussion, this study proposes and empirically tests a conceptual model that depicts the impact of social commerce dimensions on social trust and customer value co-creation. It constitutes the first attempt to validate the causal interactions between social commerce, social trust, and value co-creation. **The remaining sections of the paper include the relevant literature review and theoretical basis in the third section. These are followed by the methodology, results, and discussion outlined in the fourth, fifth and sixth sections, respectively.**

3. Research Objectives

1. Investigate how social commerce constructs (ratings and reviews, recommendations and referrals, and forums and communities) influence social trust.
2. Test the impact of social trust on customer value co-creation dimensions (functional value, hedonic value, and social value).
3. Investigate the mediation effect of social trust between social commerce and customer value co-creation.

4. IMPORTANCE OF THE STUDY

This study has much importance for the policy makers and the management of Baluchistan. The results and recommendations of this study will be useful for the peoples related to commerce and SME'S working in Balochistan. However, the results will raise the much important gaps between the relations of social commerce and society. Furthermore, the results will be helpful for the future researchers in same area. It will explore the fundamental issues regarding social commerce and users-ability.

This study will guide governments to form additional security policies to provide assurances, which can encourage SMEs to explore Facebook commerce in the international marketplace. Furthermore, Vongsraluang and Bhatiasevi (2017) considered the factors affecting social commerce system success in the Thai SMEs' context. To evaluate the proposed model, a survey questionnaire was used. The empirical results indicated that six hypotheses were supported from the proposed model. System use and user satisfaction significantly affect the success of a social commerce system.

Additionally, three factors positively affect system use, namely, service quality, system quality and trust, and all lead to user satisfaction. Ibrahim, Ahmadi, Gholampour, and Alipour (2019) examined the effect of CRM performance and technological innovation on the performance of media entrepreneurs by small and medium size enterprises. The researchers empirically tested the proposed hypotheses for SEM techniques by using PLS and R packages. They collected 127 questionnaires from SMEs' managers and deputies in Iran. The findings indicated that the influence of CRM performance on SMEs' performance is mediated by media entrepreneurship. Furthermore, the influence of technological innovation on SMEs' performance is also mediated by media entrepreneurship.

Wamba and Carter (2013) reviewed the literature on social media, social commerce and the diffusion of innovation to identify the organisational, managerial and environmental characteristics of SMEs that play a critical role in the adoption of Twitter. To test the model, data was collected by a survey of 453 SME managers in the United States, the United Kingdom, Australia and India. The results indicate that firm innovativeness, age and geographic location have an important impact on Twitter adoption by SMEs. Moreover, Ali et al. (2019) investigated the effects of technological, organisational and trust factors on social commerce adoption by SMEs in Malaysia. The researchers proposed the factors, collected from the literature, that influence the adoption of social commerce, and presented the results of an exploratory pilot study. Moreover, Sharma, Singh, and Ayub (2020) examined the use of social networking sites by SMEs to connect with their customers. The researchers adopted a quantitative approach and data was collected from 336 respondents, using structural equation modelling.

[Social commerce constructs](#)

Social commerce has become increasingly prominent on social media platforms. Customers who adopt Web 2.0 applications for buying and selling actively engage with the marketing and commercial processes for different brands, services, and products (Alalwan, 2020; Baabdullah, Alalwan, Rana, Kizgin, & Patil, 2019; Baabdullah, Alalwan, Rana, Patil, & Dwivedi, 2019; Chang, Ku, & Chen, 2017; Chen, Kim, & Lin, 2015; Dwivedi, Kapoor, & Chen, 2015; Habibi, Laroche, & Rich-ard, 2014; Heinonen, 2011; Huang & Benyoucef, 2013; Ismagilova, Slade, Rana, & Dwivedi, 2019; Misirlis & Vlachopoulou, 2018). Due to the high level of interactivity on the platforms, customers are also able to provide their own content and share their own experience with a large number of customers who use the same platforms.

Practically, there are two types of social commerce applications. The first is a kind of interactive website that comprises Web 2.0 features; examples are Alibaba, eBay, and Amazon. Such websites allow their users to contribute with online reviews, ratings, and rankings. However, unlike social media platforms, the level of interaction among users of these websites is still very low as these websites do not allow users to communicate personally with other customers or even to tag those (Huang & Benyoucef, 2013). The second type of social commerce takes place on social media platforms where customers have more opportunities to personally and socially interact with other users as well as to share their own content and experience, which enables them to participate in value cocreation.

Curty and Zhang (2013) argued that the real implications of social commerce are facilitated via applications on social network sites (SNSs). Stephen and Toubia (2010, p. 215) conceptualized social commerce as “forms of Internet-based social media that allow people to participate actively in the marketing and selling of products in online marketplaces and communities.” Further, Hajli (2015) conceptualized social commerce as a second-order construct reflected in three dimensions: (a) online ratings and reviews, (b) recommendations and referrals, and (c) forums and online community.

Customers' value cocreation

The concept of value cocreation has been addressed by prior studies according to social contact and interactive communication between marketers and their customers or between customers themselves to collaboratively create value by means of building together customized products and service (Alalwan, 2020; Chan, 2019; Grönroos, 2008; Kapoor et al., 2018; Prahalad & Ramaswamy, 2004; Rathore, Ilavarasan, & Dwivedi, 2016; Schau, Muñiz, & Arnould, 2009; Vargo & Lusch, 2008; Wang & Herrando, 2019). Accordingly, customers using social commerce are more likely to capture utilitarian, hedonic, or social values (Alalwan, Dwivedi, Rana, Lal, & Williams, 2015). Previous studies validating value cocreation have conceptualized it as a second-order reflective construct comprising three sub constructs: functional value, hedonic value, and social value (see Algharabat, 2018; Dholakia, Bagozzi, & Pearo, 2004; Foster, Francescucci, & West, 2010; Kim et al., 2019; Zhang et al., 2017). Functional value is related to providing customers with more cognitive and utilitarian benefits such as information seeking and updating (De Groote, Mendini, & Gibbert, 2019; Lee, Yen, & Hsiao, 2014; Zhang et al., 2017). Hedonic value relates to the customer's feelings of pleasure, joy, and entertainment (Alalwan, Baabdullah, Rana, Tamilmani, & Dwivedi, 2018; Zhang et al., 2017). Social value has been theorized as the customer's feeling of being socially connected with others on the same social media platform and having a social self-concept (Arora, Bansal, Kandpal, Aswani, & Dwivedi, 2019; Jahn & Kunz, 2012; Yu, Zo, Kee Choi, & Ciganek, 2013; Zhang

et al., 2017). Accordingly, it could be argued that users who share common values are more likely to communicate and connect with each other on the same social media platforms.

METHODOLOGY

3.1 INTRODUCTION

This chapter deals with the methodology used in carrying out the research. It highlights the research design, target population, sampling techniques and sample size, research instruments, data collection procedures and data analysis techniques.

3.2 RESEARCH DESIGN

The study was carried out using a quantitative research design. Orodho (2005) notes that a quantitative research design is an appropriate way of evaluating educational programs as educational activities operate in a social context. According to Krishnaswami (2001), this design is a fact finding study which involves collecting data directly from a population thereof at a particular time. This design is ideal for this study because the study was conducted in a setting that requires direct responses from the respondents while investigating existing phenomenon without manipulating the variables. The design also allows the participants to describe and provide their opinions regarding the variables being studied in detail.

3.3 TARGET POPULATION

The target population as the entire set of relevant units of analysis or data. The target population of this study comprised of two District of Balochistan, Lasbela and Hub.

3.4 SAMPLING TECHNIQUES AND SAMPLE SIZE

Sampling refers to selecting a given number of subjects from a target population so as to represent that population (Kombo& Tromp, 2005). In this study, a strata sampling technique was used. Because in simple random sampling all the individuals in the defined population has an equal and independent chance of being selected as a member of the sample size. Random sampling was used to ensure a fair representation of all the groups.

3.5 RESEARCH INSTRUMENTS

Mugenda and Mugenda (2003) observe that the use of questionnaires is a popular method of data collection in education because of the relative ease of cost effectiveness with which they are constructed and administered to the large samples. To validate the current study constructs and test

the main research hypotheses, we collected the data by using online questionnaires with online communities in Lasbela and Hub (based on social networks). We first translated the original items into English, and then we used a backward translation method into local language to confirm the consistency between the English and the local versions of the questionnaire (Brislin, 1976).

3.6 DATA ANALYSIS METHOD

Data analysis refers to the process of evaluating data analytically and logically so as to examine each component of the data that is collected using the research instruments. After data collection, the instruments were checked for completeness and errors, the questionnaires were then be arranged, coded and entered into the computer using Statistical Package for Social Science (SPSS) where it was analyzed. Frequency distribution and Chi-Square was used to analyze quantitative data by filling frequencies and percentages presented in table.

DATA ANALYSIS AND DATA INTERPRETATION

4 Data Analysis & Interpretation

Table 4.1 How often do you shop online?

	Frequency	Percent	Valid Percent	Cumulative Percent
Regularly	38	50.0	50.0	50.0
Valid Occasionally	38	50.0	50.0	100.0
Total	76	100.0	100.0	

Table4.1: In the above table shows that the 50% people responded that they purchase goods via online and other 50% of the participant’s respondent that they occasionally shop online.

Table 4.2 **What types of items do you purchase online? (Select all that apply)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Clothing	35	46.1	46.1	46.1
Electronic Gadgets	28	36.8	36.8	82.9
Home appliance	13	17.1	17.1	100.0
Total	76	100.0	100.0	

Table.4.2: In the above table shows that the 46.1% of participants argued that they often purchase cloths through online and 36.8% of the respondent said that they use online shopping to purchase Electronics gadgets and other 17.1% of the respondent argued that they purchase home appliances.



Table 4.3 Which online platforms do you most frequently use??

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Daraz	28	36.8	36.8	36.8
Instagram	32	42.1	42.1	78.9
LinkedIn	16	21.1	21.1	100.0
Total	76	100.0	100.0	

Table 4.3: In the above table shows that the 36% most frequently use Daraz online platform to shop goods and 42.1% of the respondents liked to use Instagram online shop store and other 21.1% of the participants most frequently use LinkedIn for online purchase.

Table 4.4 Do you believe online shopping has a positive economic impact?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	50	65.8	65.8	65.8
No	26	34.2	34.2	100.0
Total	76	100.0	100.0	

Table 4.4: In the table shows that the 65.8% people are those who believe that online shopping has positive economic impacts and other 34.2% people denied that statement.

Table 4.5 What payment method do you use for online shopping?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Online	35	46.1	46.1	46.1
COD	30	39.5	39.5	85.5
Voucher/Cheques	11	14.5	14.5	100.0
Total	76	100.0	100.0	

Table 4.5. The above table shows that the 46.1% people responded that they pay online money transfers from the apps e.g. Easypaisa, Jazcash and 39.5% people responded that the use Cash on Delivery method for online shopping and other 14.5 people who responded that they use voucher and cheque for online shopping.

Table 4.6 Does online shopping contribute positively to the local economy in Baluchistan in the future?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	49	64.5	64.5	64.5
No	27	35.5	35.5	100.0
Total	76	100.0	100.0	

Table 4.2.6 the above table shows that 64.5% people thinks that E-commerce can contribute to the development of economic in Balochistan while 35.5% people thinks that the E-commerce cannot contribute to the Economic Development of Balochistan

In conclusion, the study highlights the complex environment of electronic commerce in Balochistan, emphasizing the challenges and opportunities that influence its course. Difficulties such as inadequate digital infrastructure, logistical limitations, and socio-economic considerations present obstacles to the smooth functioning of electronic commerce activities. Nevertheless, the region's unexplored market potential, expanding adolescent demographic, and rising level of digital literacy offer auspicious prospects for expansion. In the context of Baluchistan's ecommerce environment, the establishment of strategic partnerships between the public and private sectors, coupled with investments in infrastructure and education, can facilitate the growth of ecommerce in a manner that is both inclusive and sustainable.

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