

Activities on Using Social Media for Branding in E-Commerce

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ABSTRACT: In the context of e-commerce, social media plays an important role in building a brand. This article presents the theory of social media and branding in e-commerce, emphasizing how businesses can optimize their communication strategies to enhance brand value. Specifically, the article analyzes methods such as search engine optimization (SEO), social media marketing, influencer marketing, and affiliate marketing. At the same time, to have a more objective view, the current situation of using communication in brand building in Vietnam is assessed through leading companies in the industry, in terms of their communication strategies, business results and market share. The article also points out the challenges and limitations that businesses face in applying social media. Finally, effective solutions are proposed to improve the ability to use communication to build brands in e-commerce in Vietnam. In general, the article not only provides an overview of theory and practice, but also proposes specific directions to help businesses develop sustainably in a fiercely competitive environment.

KEYWORDS: Social media, branding, e-commerce, marketing strategy.

1. INTRODUCTION

The popularity of social media has confirmed that: Using social media is the fastest way for businesses to make customers approach their brand. In addition, social media also facilitates businesses to interact, market and build trust with customers in a sustainable way. Therefore, to compete in today's fierce and fierce market, businesses need to have a strategy, a wise and correct direction. In this article, we will show the strong influence of media on marketing and branding by studying real businesses in typical industries and clearly analyzing their marketing strategies with realistic statistical illustrations. Moreover, these analyses aim to demonstrate the effectiveness of media for businesses, thereby drawing out limitations and solutions.

2. GENERAL THEORY OF SOCIAL MEDIA AND BRANDING IN E-COMMERCE

2.1 Social Media

At its core, social media is largely based on the combination of two main elements: Web 2.0 and active user participation. Web 2.0 represents a technological trend in which the Internet is not just a static information platform but an interactive environment that promotes user participation. The increasing popularity of high-speed Internet access has increased the spread of this idea, leading to the emergence of social networking sites such as Facebook, TikTok, Twitter, YouTube, etc. These are important developments that create the concept of "Social Media".

2.2 Branding in e-commerce

Branding in eCommerce, or eCommerce Branding, is about creating a positive perception of your business in the minds of your customers. Typically, a brand is developed and built through the combination of different elements such as images, logos and messages that bring value and consistency across all marketing and communication activities. Therefore, creating an e-commerce Branding strategy becomes essential for multi-channel businesses.

2.3 The role of branding in e-commerce

In the era of digital technology explosion, building an online brand has become extremely important for businesses. It is not simply promoting products or services, but also providing customers with unique and wonderful experiences. Today, in a diverse online market with countless choices, brand reputation plays a key role in attracting customers. A strong brand will help customers easily make purchasing decisions and build long-term trust for the business. More specifically, trust is the foundation of a strong brand. Businesses need to demonstrate transparency, honesty and commitment to product/service quality to build trust with customers. Businesses can use digital marketing channels such as email marketing, social media content, online chat, etc. to connect and interact with customers, create communities and collect feedback to perfect products/services. Building an online brand is a long-term process and requires thorough investment. However, the effectiveness it brings is enormous, helping businesses attract customers, increase revenue and affirm their position in the market.

2.4 How to use social media to build brand in e-commerce

In the digital age, with the strong development of platforms such as Facebook, Instagram and TikTok, businesses can interact directly, receive quick feedback, and adjust their marketing strategies, thereby increasing brand recognition, trust and customer loyalty. In e-commerce, there are many popular marketing strategies to attract customers. Here are some popular strategies with specific examples:

2.4.1. Search Engine Optimization (SEO)

SEO stands for Search Engine Optimization, which means the process of improving your website to increase its visibility on search engine results pages. The goal of SEO is to reach potential customers to create value in marketing activities, including increasing brand awareness, building relationships with potential customers, providing useful information, supporting the sales process and other purposes related to customer interaction and care, etc.

For example, Tiki has used SEO to improve its ranking on Google. By optimizing product-related keywords such as "buy books online" and "cheap phones", Tiki can attract a large number of users searching for these products.

2.4.2. Social Media Marketing

Posting regularly at times that align with your target audience’s activity times will help you reach and engage them consistently. This allows you to maintain your presence and increase engagement with your customers. Use platforms like Facebook, Instagram, TikTok, and Zalo to reach and engage with your customers and run advertising campaigns on these platforms to increase brand awareness faster.

For example, Tiki invests in creating creative content on social media, including instructional videos, product reviews, and blog posts sharing shopping experiences.

2.4.3. Using Influence marketing

Influencers are individuals with a large following on social media and the ability to influence their purchasing behavior. Partnering with the right influencers can help you expose your products to a large audience and increase brand awareness. However, this approach should be considered carefully as it requires a significant budget to invest in this strategy.

For example, Shopee regularly organizes livestream sales sessions with the participation of celebrities and social media stars such as Ninh Duong Lan Ngoc and Ngoc Trinh.

2.4.4. Affiliate Marketing

Affiliate marketing is a form of advertising products or services through links on the Internet. When customers buy products through the link from the marketer, they will receive a commission. The high commission is the most attractive factor of affiliate marketing, encouraging marketers to promote the company. This method helps save costs significantly while still bringing good results for products and businesses.

For example, TikTok Shop has a large affiliate marketing program that allows TikTokers and marketers to earn commissions for referring customers to buy through their links . This helps expand the sales network without investing too much in direct advertising.

3. CURRENT STATUS OF USING MEDIA TO BUILD BRAND IN E-COMMERCE IN VIETNAM

On communication in developing e-commerce in Vietnam

Social Media	Don't know	Realized but not done	Done	In progress
Influencer marketing	4	45	21	30
Affiliate marketing	13	46	8	33
Email marketing	6	29	30	34
Online Advertising	3	31	25	40
GDN	6	24	25	40
SEM	6	21	22	52
Social Media Marketing	3	4	9	84

Source: Vietnam E-commerce White Book 2021

There are many different forms of social media marketing and businesses/sellers will choose the form that suits their goals.

Currently, social media advertising is one of the most popular forms that businesses/sellers focus on. At the same time, they are also switching to multi-channel sales and optimizing media sales channels.

With the increase in mobile usage, the ability of customers to interact with branded apps has also increased significantly. However, the majority of customers focus on a few key apps, and 77% of usage time is spent on only 5-6 apps.

While businesses are investing in social media to increase engagement and customer acquisition, the level of investment is still modest. Social media advertising is the most popular form, with 84% of businesses/sellers using it. This is followed by search engine advertising (SEM) and display advertising (GDN), followed by online advertising, email advertising, affiliate marketing and influencer marketing.

Specifically, social media advertising is used by all types and sizes of companies, with the highest usage rate being 94% in medium and large businesses, and 79% in small sellers. As a result, Influencer Marketing is not widely used, with only 30% usage rate in medium and large businesses, and 5% in small sellers.

According to the latest data from the Department of E-commerce and Digital Economy, Vietnam's e-commerce market grew impressively by 25% in early 2024, making Vietnam one of the leading e-commerce countries in the world. This was thanks to the significant contribution of 4 major platforms in this field, including Shopee, Lazada, Tiki and TikTok Shop. In the first quarter of 2024 alone, these 4 e-commerce platforms brought in a total revenue (GMV) of up to 79.12 trillion VND, with a total number of products consumed of up to 768.44 million units.

3.1 General overview of e-commerce companies

Popular e-commerce platforms in Vietnam include Shopee, Lazada, Tiki and Tiktok Shop.

Shopee is the largest e-commerce platform in Vietnam and Southeast Asia. Launched in 2015 in Singapore. Currently, Shopee has more than 160 million active listings and about 6 million sellers. The platform attracted more than 281 million visitors and users in 2020.

Lazada is currently one of the largest e-commerce platforms in Southeast Asia, owned by Alibaba. In 2020, Lazada attracted more than 137 million visitors and captured an important market share in Vietnam before competitors became more numerous and stronger.

Tiki is one of the leading e-commerce channels in Vietnam. Initially focusing on selling English books online, Tiki has grown and become a trusted brand. In 2020, Tiki had more than 22 million visits and uses.

TikTok Shop is an online shopping feature available on the TikTok platform in Vietnam, launched in March 2022. TikTok Shop has recorded incredible growth and is expected to continue to grow strongly in the future. 2022 is a promising milestone for TikTok Shop Vietnam, with average monthly revenue equivalent to 80% of Lazada and 4 times higher than Tiki.

3.2 Communication and branding strategy

Shopee, Lazada, Tiki and TikTok Shop all have branding strategies by maximizing different channels and platforms to attract customers.

In particular, Shopee stands out by taking advantage of Influencer Marketing, inviting many famous people from the fields of music, film and sports to represent advertising campaigns, especially targeting young customers. In particular, with 30% of the market being young customers, Shopee has chosen Son Tung, Tien Dung and Bao Anh - stars that young people are interested in - as representative faces. Shopee knows well that consumers' habits are very fond of promotions, sales, discounts, etc. Therefore, businesses also cooperate with many famous people to post sales in each field: fashion, beauty, household appliances, etc. And many minigames take place on media pages to encourage consumers to shop on Shopee.

Lazada has deployed a strong strategy on social media channels, in which Lazada's Fanpage regularly organizes minigames to attract customers' attention and achieve high levels of interaction. Notably, in the second quarter of 2020, Lazada recorded 29.9 million interactions on Facebook, surpassing Shopee and Tiki. In addition, Lazada also cooperates with many KOLs to increase the popularity of online shopping activities. In particular, many of Lazada's brand ambassadors are famous stars such as Tran Thanh, Ninh Duong Lan Ngoc, Lee Min Ho and most recently, top Korean actor - Hyun Bin, helping to build trust and attract shoppers to this platform.

Taking advantage of the effectiveness of Influencer Marketing, Tiki also quickly cooperated with famous bloggers, Youtubers, and Instagram influencers to promote new products or discounts to increase brand awareness. This helps Tiki reach a large number of followers of influencers, build prestige and spread the brand message. In addition, Tiki also cooperates with many celebrities and artists such as Tran Thanh, Dong Nhi, and Ninh Duong Lan Ngoc in crowdfunding campaigns on YouTube and Facebook such as "Tiki goes with stars - Spreading miracles," raising funds for charity to create a positive impression of the brand. Furthermore, Tiki also organizes livestream sales sessions on Facebook and YouTube, with the participation of KOLs and influencers, creating opportunities for customers to ask questions directly and receive special offers. A successful example is Tiki's "Super Sale Wednesday" event, which attracted a lot of viewers and shoppers, proving the power of this marketing strategy.

TikTok Shop uses social media marketing strategies by collaborating with influencers and KOLs to introduce products, leveraging their large followings and influence to increase brand awareness. Influencer-made videos are often entertaining and easy to spread, such as collaborating with Vietnamese stars like Chi Pu and Ngoc Trinh to introduce products and create a viral effect on the platform. In addition,

TikTok Shop encourages users to create creative content through challenges and hashtags, such as the #TikTokMadeMeBuyIt campaign to increase virality. In addition, TikTok Shop has organized promotions, flash sales, and live sales right on the TikTok platform to attract a large number of users. Not only that, TikTok Shop also launched large affiliate programs during holidays and events, such as the "TikTok Shop Mega Sale." During these events, affiliate partners are provided with special links and discount codes to promote and boost sales through videos and posts on the platform.

3.3 Business results and market share

According to a newly updated report by YouNet ECI, in November 2023, 4 e-commerce platforms (Shopee, Lazada, TikTok Shop, Tiki) earned a total of 31,195 billion VND in transaction value (GMV), with the participation of 405,000 sellers, an increase of 9.3% compared to October 2023. In the overall picture, Shopee continues to lead in terms of revenue market share, accounting for 72.7% (about 22,674 billion VND). TikTok Shop ranked second with 17.2% of the market share. And then Lazada ranked third with 9%.

Next, in the first quarter of 2024, the total retail revenue of the top 5 e-commerce platforms in Vietnam (Shopee, Lazada, TikTok Shop, Tiki, Sendo) reached 71.2 trillion VND. This is an impressive figure, up 78.69% over the same period in 2023. This record figure does not yet include revenue from direct sales livestream activities.

Shopee is still at the top of the list with GMV of VND 53.74 trillion, accounting for 67.9% of the market share. TikTok Shop is in second place with GMV of VND 18.36 trillion, owning 23.2% of the market share. This platform has an impressive GMV growth of 15.5%, "going against the trend" of the market.

The remaining two platforms, Lazada and Tiki, reached VND6.03 trillion (7.6% market share) and VND997.06 billion (1.3% market share) respectively. Notably, TikTok Shop's GMV was three times higher than Lazada's in this quarter. These impressive figures reflect Shopee's dominance and TikTok Shop's spectacular breakthrough in the Vietnamese e-commerce market.

Thanks to continuous improvement and innovation, the two giants Shopee and TikTok Shop have continuously grown strongly up to now. Meanwhile, other platforms such as Lazada and Tiki tend to grow slowly and become saturated in the market share pie.

3.4. Challenges and limitations when using social media to build brands in today's e-commerce platforms

Challenges: High competitive pressure from other sellers and traditional stores forces businesses to invest more to attract and retain customers. In addition, there is a shortage of necessary human resources and the demand for human resources in the e-commerce sector is increasing, however, the source of human resources with appropriate expertise and

skills is limited, affecting the efficiency of business operations. Training and development programs for high-quality human resources are needed to meet the needs of the e-commerce industry. The cost of building and maintaining an online store, marketing, shipping, warehousing and commissions for e-commerce platforms can be expensive, especially for small and medium-sized businesses.

In addition, consumers will lack product experience, they cannot check the product directly before buying, leading to the risk of receiving unsatisfactory goods, needing to return or exchange. Providing images, videos and detailed product descriptions can help minimize this problem. Leading to the risk of buying fake, counterfeit, poor quality goods or being scammed by fraudulent sellers on e-commerce platforms. Concerns about data security, the risk of personal information theft when paying and shopping online. It is necessary to choose reputable e-commerce platforms, have good data security measures and use strong passwords for shopping accounts.

Limitations: Impact on the environment, packaging waste and product transportation pollute the environment. Use eco-friendly materials for product packaging and optimize the transportation process to minimize waste and environmental pollution. In addition, it limits and minimizes direct interaction between buyers and sellers, affecting the shopping experience. Create e-commerce platforms that encourage social interaction between buyers and sellers.

4. SOME SOLUTIONS TO EFFECTIVELY USE COMMUNICATION TO BUILD BRANDS IN E-COMMERCE IN VIETNAM TODAY

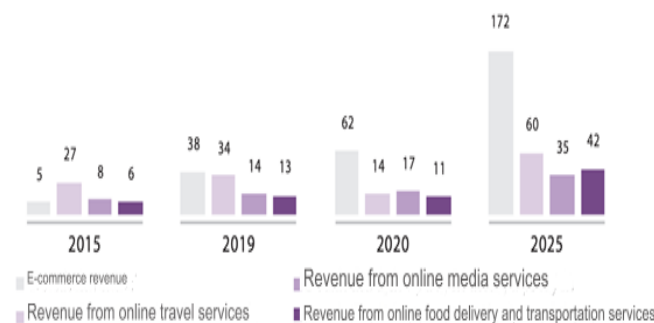


Figure 1: Digital economy market size in Southeast Asia from 2015 - 2025 (billion USD)

Source: "Southeast Asia Internet Economy 2020" report by Google, Temasek and Bain & Company

First, increase awareness of the role of social media: Business leaders should regularly discuss with marketing department to share and improve communication strategies.

Second, improve information technology infrastructure: Ensure information security and enhance brand reputation through completing and synchronizing technology infrastructure.

Third, develop a social media strategy: Invest in a well-structured and relevant social media strategy to optimize your reach and engage potential customers.

Fourth, update new media trends: Monitor and apply new trends from marketing blogs and diverse information sources to improve communication effectiveness.

Fifth, strengthen network security: Upgrade network systems and build comprehensive security policies to protect business and customer information.

Sixth, build a team of specialized social media staff: Train and develop staff to improve quality and professionalism in communication activities.

5. CONCLUSION

Through the above research and analysis, we have found that the use of social media in e-commerce brings many benefits. However, it is also necessary to recognize and overcome the limitations that this medium can bring in building a brand in e-commerce. All the analysis presented in this article shows that the strong popularity of media cannot be underestimated. With the flexibility and great potential that these platforms bring, businesses can take advantage of it to create a difference and succeed in today's fiercely competitive market. However, to be successful, businesses also need to have a clear and wise strategy. At the same time, they also need to ensure that the content shared on these platforms is of quality, reflects the brand's values and aims for positive interactions from customers.

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