

Integrating Social Media into E-commerce: Prospects and Obstacles in the Algerian Market

Righi Malika

Mustapha Stambouli University, Mascara - Algeria

righi.malikal@gmail.com

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Abstract:

The rapid advancement of information and communication technologies has fundamentally reshaped global economic and commercial activities, giving rise to e-commerce as a key pillar of the modern digital economy. Recently, the convergence of e-commerce and social media platforms, known as social commerce, has opened new avenues for businesses to interact with customers. In emerging economies such as Algeria, this integration is gaining relevance as consumers and small businesses increasingly rely on platforms like Facebook and Instagram for marketing and trade. This study analyzes the development of social commerce in Algeria, highlights its opportunities and challenges, and offers recommendations to enhance the role of social commerce in the country's digital economy. The methodology combines literature review and contextual analysis based on recent national and international reports. Findings indicate strong growth potential accompanied by structural barriers such as payment infrastructure, regulatory gaps, and trust issues.

Keywords: E-commerce; Social Commerce; Digital Economy; Algeria; Social Media.

Jel Classification Codes : L81; O33; M31; D83; O55

ملخص:

يشهد العالم تحولاً جذرياً في الأنشطة الاقتصادية والتجارية نتيجة التطور السريع في تقنيات المعلومات والاتصال، مما أدى إلى بروز التجارة الإلكترونية كأحد الأعمدة الرئيسية للاقتصاد الرقمي الحديث. وفي الآونة الأخيرة، أدى تلاقي التجارة الإلكترونية مع منصات التواصل الاجتماعي، فيما يعرف بالتجارة الاجتماعية، إلى فتح آفاق جديدة أمام الشركات للتفاعل مع العملاء. وفي الاقتصادات الناشئة مثل الجزائر، تكتسب هذه الظاهرة أهمية متزايدة مع اعتماد المستهلكين والمؤسسات الصغيرة على منصات مثل فيسبوك وإنستغرام لأغراض التسويق والتجارة. يتناول هذا البحث تطور التجارة الاجتماعية في الجزائر، وبرز الفرص والتحديات المرتبطة بها، ويقدم مجموعة من التوصيات لتعزيز دورها في الاقتصاد الرقمي الوطني. وتعتمد منهجية الدراسة على مراجعة الأدبيات وتحليل السياق استناداً إلى تقارير وطنية ودولية حديثة. وتشير النتائج إلى وجود إمكانات نمو قوية، تعيقها بعض العوائق الهيكلية مثل ضعف البنية التحتية للدفع الإلكتروني، والفجوات التنظيمية، ومشكلات الثقة. الكلمات المفتاحية: التجارة الإلكترونية؛ التجارة الاجتماعية؛ الاقتصاد الرقمي؛ الجزائر؛ وسائل التواصل الاجتماعي. تصنيف JEL: L81; O33; M31; D83; O55.

I. Introduction:

The global economic landscape is undergoing a profound shift, fundamentally reshaped by the rapid advancement of digital technologies. At the heart of this transformation lies e-commerce, which has evolved from a novel convenience into a cornerstone of the modern economy. This evolution has now reached a new stage with the rise of social commerce, where the interactive nature of platforms like Facebook and Instagram merges seamlessly with commercial activity, turning social networks into vibrant, dynamic marketplaces.

This fusion offers significant advantages, including unprecedented reach, highly targeted marketing, and lower operational costs compared to traditional retail. However, its growth is not without challenges, as questions regarding consumer trust, cybersecurity, and regulatory frameworks remain largely unresolved.

This paper seeks to explore this very intersection, providing a comprehensive examination of e-commerce through social media platforms. The study is particularly relevant in the context of Algeria, where this integration is gaining remarkable traction among a young, digitally-engaged population and small businesses seeking new avenues for growth. Despite this momentum, the Algerian ecosystem faces distinct hurdles, such as underdeveloped digital payment infrastructure, regulatory ambiguities, and lingering consumer skepticism. Yet, the nation's demographic profile and increasing internet penetration make it a compelling case study for the potential of social commerce in an emerging economy.

Therefore, this research addresses a critical question: **How is social media influencing the development and practice of e-commerce in Algeria, and what are the consequent opportunities and challenges?** To answer this, the study aims to:

- Clarify the core concepts and dynamics of social commerce.
- Identify the key features that make it an effective alternative to traditional commerce.
- Analyze the primary challenges and future opportunities tied to its expansion.
- Provide actionable recommendations to harness social commerce for Algeria's economic development.

Based on these objectives, the study formulates the following hypotheses to guide its analysis:

H1: The integration of social media platforms significantly influences the growth and practice of e-commerce in Algeria.

H2: Structural barriers, particularly in payment infrastructure and consumer trust, are the primary constraints on the full potential of social commerce in Algeria.

H3: There is a positive correlation between the rising number of social media users in Algeria and the adoption of social commerce practices by both consumers and SMEs.

The importance of this work lies in its timely exploration of a rapidly growing phenomenon, offering valuable insights for researchers, policymakers, and entrepreneurs alike. By focusing on the Algerian context, it also helps to bridge a significant gap in the literature, shedding light on the unique dynamics of social commerce in emerging markets.

II. Theoretical and Conceptual Framework:

II.1. The concept of e-commerce:

E-commerce is a modern business practice that aims to meet the needs of vendors, customers, and corporate organizations by lowering costs, improving the quality of goods and services, and speeding up delivery.

II.1.1. Definition of e-commerce:

According to Gupta (2014), e-commerce, or electronic commerce, is a broad term that encompasses a variety of online economic operations involving goods and services. Additionally, it applies to "any type of business transaction in which the parties communicate electronically instead of face-to-face or through direct physical contact".

E-commerce is commonly defined as any transaction involving the transfer of ownership or the right to use products or services via a computer-mediated network, including buying and selling via the Internet.

II.1.2. Types of E- commerce:

Zheng Qin claims that e-commerce may be categorized into five groups based on the types of transactions that take place:

- **Business to Business (B2B):** This type involves companies that provide goods or services to other companies, often as inputs in production processes. It is considered the fastest-growing form of e-commerce due to its high profitability, significant capital flows, and relatively low operating costs.
- **Business to Consumer (B2C):** Refers to transactions in which companies directly offer products or services to end-user customers.
- **Business to Government (B2G):** This category represents the relationship between businesses and governmental entities, where the government plays a dual role: first, as a regulator ensuring effective management of e-commerce through e-governance, and second, as a client when it adopts e-commerce for procurement purposes.
- **Consumer to Consumer (C2C):** In this model, transactions occur directly between consumers, even though neither party is an entrepreneur in the formal sense. Usually, a third-party platform - such as an online marketplace - acts as an intermediary to facilitate the exchange.
- **Government to Government (G2G):** Often referred to as governmental e-commerce, this category encompasses digital interactions and transactions between different government organizations.

II.1.3. Features of E-Commerce:

According to Benzidane et al. (2024, p. 154), e-commerce is described by several distinctive features:

- **Non-Cash Payments:** One of the key features of e-commerce is its reliance on electronic payment systems. Transactions can be completed using credit cards, debit cards, smart cards, and electronic funds transfer through banking platforms, among other digital methods.
- **Advertising and Marketing:** E-commerce extends the reach of promotional activities, allowing businesses to market their products and services to a wider audience. This facilitates more effective and targeted marketing strategies.
- **Enhanced Sales:** With e-commerce platforms, orders can be placed at any time and from any location without the need for human intervention, thereby significantly increasing sales volume.
- **Customer Support:** E-commerce ensures that both pre-sales and post-sales services can be offered more efficiently. This contributes to better customer satisfaction and improved service delivery.
- **Inventory Management:** Through automation, e-commerce simplifies the management of product inventories. Instant reporting and real-time updates make stock control more accurate and efficient.
- **Enhancement of communication:** E-commerce offers methods for more dependable, quick, and effective communication with networks of partners and customers.

II.2. The concept of social media:

Social media has emerged as a key element of modern society, allowing millions of people all over the world to interact, share information, and access content.

II.2.1. Definition of social media:

Dimitrakopoulou (2015) defines social media and networks as platforms rooted in the technological advancements and ideological principles of Web 2.0, which facilitate the creation, distribution, and exchange of user-generated content. By transferring the power of communication and information to the general population, who previously had a passive part in the mass communication process, they revolutionize the global media landscape.

II.2.2. Social media benefits:

Vinod (2022) points out that social media platforms provide several benefits for individuals, communities, and businesses, which can be summarized in the following points:

- Social media's introduction has revolutionized interpersonal interactions by allowing people to connect and speak in real time with people in different geographical areas.

- People and their networks may now share information, news, and updates more easily thanks to the introduction of social media. People and companies can thus more readily keep up with the most recent developments and trends in their respective fields.
- These platforms help individuals build connections by identifying shared interests, hobbies, and goals, fostering the creation of relationships and communities.
- Social media has proven to be an effective marketing tool for companies looking to advertise their goods and services. Businesses may increase brand awareness and reach a wider audience by using social media channels.
- It provides diverse and engaging content—such as videos, memes, and articles—that offers entertainment and relaxation.
- Social media has developed into a fantastic educational resource. From the comfort of their smartphones, people may enroll in online classes, connect with professionals, and access educational content on a variety of topics.

II.2.3. Challenges of social media use:

As emphasized by Vinod (2022), social media poses important challenges alongside its many advantages, which include the following:

- The rapid development of social media has raised concerns about cyberbullying, as online harassment has increasingly been associated with severe psychological issues such as anxiety and depression.
- With some people spending hours browsing through their feeds, social media may become addicted. In more extreme situations, this may also exacerbate mental health issues in addition to decreasing productivity.
- Privacy and data protection have become major issues, since platforms often collect vast amounts of personal information and have been subject to multiple breaches, leading to the exposure of sensitive user data.
- The widespread reach of social media facilitates the rapid spread of misinformation and fake news, a phenomenon that proved particularly dangerous during the COVID-19 pandemic, where misleading health information resulted in harmful and sometimes fatal consequences.
- Excessive social media use can foster unhealthy social comparisons, often leading to diminished self-esteem and feelings of inadequacy when individuals measure themselves against unrealistic portrayals of others online.
- By limiting people's exposure to a range of viewpoints and ideas, social media's echo chamber phenomena can exacerbate political division by impeding polite conversation.

II.3. The concept of social commerce:

Social commerce extends e-commerce by turning social media platforms into spaces for marketing, interaction, and direct transactions, reshaping how businesses connect with consumers in the digital age.

II.3.1. Definition of social commerce:

According to Leong et al. (2023), social commerce represents a subset of e-commerce that combines social media and online shopping. In essence, it involves the use of social networking platforms such as Instagram, Facebook, WhatsApp, LinkedIn, Pinterest, Twitter, Snapchat, and WeChat to facilitate e-commerce transactions. The term social commerce was first introduced by Yahoo, while the concept itself was further developed by David Beisel. Fundamentally, social commerce highlights the role of social media as a strategic tool for retailers to enhance the sales of their products and services.

According to Liang and Turban (2011), social commerce integrates social networking elements with e-commerce functionalities to facilitate customer engagement and enhance purchase intentions. The study emphasizes that features such as social sharing, peer recommendations, and interactive content can directly impact consumer behavior and trust in online shopping.

III. Global Perspectives on Social Commerce:

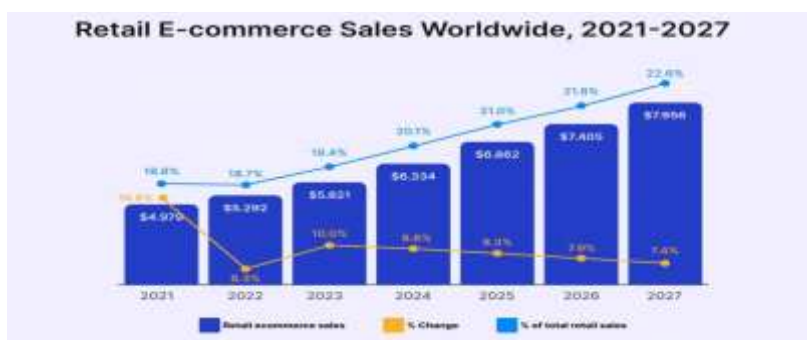
III.1. E-commerce Statistics In 2025:

Sellerscommerce (2025) reports that global e-commerce is experiencing remarkable growth, increasingly dominating retail markets. At present, the number of online shoppers worldwide has reached approximately 2.77 billion, with e-commerce sales projected to exceed \$6.8 trillion by 2025. During the same year, online purchases are expected to account for 21% of total retail sales, a share forecasted to rise further to 22.6% by 2027. This expansion is underpinned by the presence of more than 28 million e-commerce stores worldwide, offering a wide range of

products to meet diverse consumer demands. Shopping behaviors also reflect a globalized pattern: 52% of online buyers search for products across international markets, while 34% shop online at least once per week. Additionally, digital trust plays a critical role in purchasing decisions, as 99% of consumers consult reviews before completing a purchase. Collectively, these statistics highlight not only the scale of e-commerce growth but also the shifting expectations and habits of modern consumers in the digital marketplace.

The following figure illustrates the global expansion of retail e-commerce sales from 2021 to 2027, highlighting the steady rise of e-commerce's share in total retail sales. This visualization provides essential context for understanding the broader international environment in which social commerce is emerging as a transformative force. The upward trend in global e-commerce sales underscores the growing opportunities for businesses to leverage digital platforms and highlights the relevance of examining social commerce in an Algerian context.

Figure (01): Retail e-commerce sales worldwide



The source: sellerscommerce, 2025

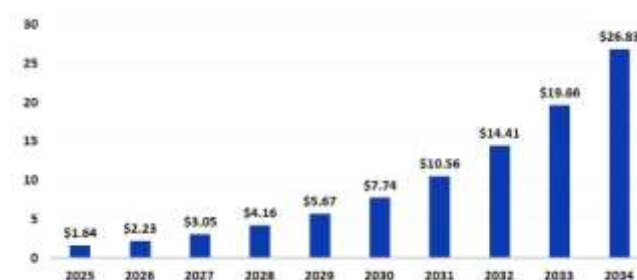
The chart (01) illustrates the steady growth of retail e-commerce sales worldwide between 2021 and 2027. Global e-commerce sales increased from \$4.97 trillion in 2021 to a projected \$7.95 trillion in 2027, highlighting the sector's rapid expansion. While the annual growth rate (% change) shows fluctuations—peaking at 10% in 2023 before gradually slowing down to 7.4% in 2027—the overall trend remains strongly upward. Importantly, the share of e-commerce in total retail sales continues to rise consistently, moving from 18.8% in 2021 to an expected 22.6% by 2027. These trends underscore not only the resilience of global e-commerce but also its increasing role in shaping consumer behavior and the digital economy, signaling long-term opportunities for businesses that adapt to this transformation. Importantly, the upward trend emphasizes the strategic opportunities for businesses to invest in digital channels, as consumers increasingly prefer the convenience and accessibility of online retail.

III.2. Global Social Commerce Market:

According to Precedence Research (2024), the global social commerce market is projected to grow significantly over the next decade. Its estimated value of USD 1.20 trillion in 2024 is expected to reach approximately USD 26.83 trillion by 2034, reflecting a compound annual growth rate (CAGR) of 36.44% during the forecast period (2025–2034).

The following figure presents the projected growth of the global social commerce market from 2025 to 2034. The figure demonstrates a strong compound annual growth rate, reflecting social commerce's rapid evolution and increasing importance in shaping consumer behavior. This forecast sets the stage for analyzing similar trends at a national level, particularly in emerging economies such as Algeria, where social media integration into commerce is gaining momentum.

Figure (02): Social Commerce Market Size and Forecast 2025 to 2034



The source: Precedence Research, 2024

As illustrated in Figure (02), the market will witness a steady upward trend, rising from USD 1.64 trillion in 2025 to USD 19.66 trillion in 2033, before peaking at USD 26.83 trillion in 2034. This remarkable growth, with a compound annual growth rate (CAGR) of 36.44%, illustrates the accelerating adoption of commerce within social media ecosystems. The data suggest that social platforms are no longer merely channels for communication but have become critical drivers of economic activity, where user engagement translates directly into transactional behavior. The forecast underscores the transformative potential of social commerce and highlights the need for countries to align digital infrastructure, regulatory frameworks, and marketing strategies to harness this emerging opportunity.

According to Hootsuite (2022), the rapid expansion of social media engagement has become a central factor influencing the growth of social commerce worldwide. The report indicates that around 58% of the global population—approximately 4.6 billion people—actively use social platforms, dedicating an average of more than two hours each day to online interaction. This high level of connectivity reflects a broader shift toward digital fluency, as individuals now spend an average of 6.58 hours online daily, with mobile devices accounting for nearly half of that time.

Building on these behavioral patterns, Precedence Research (2024) highlights that e-commerce has evolved into an integral component of modern lifestyles, where immediacy and convenience strongly shape consumer decisions. As users increasingly expect instant access to goods and services, digital platforms have intensified their efforts to monetize user engagement and social influence. This competitive environment has encouraged continuous innovation, leading platforms to introduce faster, more personalized, and contextually relevant features that keep consumers within their digital ecosystems.

This technological evolution has blurred the boundaries between social interaction and online purchasing, creating a seamless experience in which users can communicate, explore, and shop simultaneously. Furthermore, the growing prominence of influencer marketing and peer-to-peer exchanges has reinforced the foundation of social commerce, while emerging interests in immersive technologies such as the metaverse promise to redefine future shopping experiences. Consequently, brands aiming to sustain their market presence are increasingly required to develop strategic approaches that align with consumers' preferred digital environments and capitalize on the expanding potential of social commerce.

III.3. Opportunities of Social Commerce:

According to Kajal (2019), social commerce offers a range of advantages that explain its accelerated adoption and growing impact on global retail markets. One of its key benefits lies in providing businesses with a convenient and cost-effective channel to reach their target audiences directly. By integrating commercial activities within social media platforms, companies can promote and sell their products to users who are already engaged in digital interaction, thus increasing the likelihood of conversion and customer acquisition.

Moreover, social commerce enhances a brand's online visibility and search engine performance, as user engagement through shares, likes, and comments contributes to higher digital rankings. Another significant advantage is the establishment of two-way communication between sellers and customers. This interactive exchange enables consumers to inquire about products, provide feedback, and receive instant responses, which strengthens trust and transparency in the buying process.

Additionally, such direct engagement supports the development of stronger customer relationships and loyalty toward the brand. When businesses provide responsive and personalized customer service through social channels, they not only retain existing customers but also encourage repeat purchases. Finally, the digital nature of social commerce allows businesses to easily assess their growth and market performance through measurable indicators such as user interactions, follower counts, and engagement rates, offering valuable insights for continuous improvement and strategic decision-making.

Research by Wang et al. (2019) demonstrates that social commerce enhances brand awareness and customer engagement, particularly through the use of influencer marketing. The study also highlights that direct interaction on social platforms strengthens consumer trust, which is crucial for increasing online purchase frequency.

IV. Social Commerce in Algeria:

IV.1. E-commerce Landscape in Algeria:

According to Bensekkaim (2024), Algeria's e-commerce sector has witnessed remarkable growth in recent years, with the market value now exceeding \$1.5 billion. This expansion has been largely driven by the increasing number of electronic payment cards and the broader adoption of digital payment systems. As highlighted by Abdelouahab Gaoua, president of the Algerian Group of Digital Actors (GAAN), e-commerce has become a strategic instrument for accelerating the country's digital transformation. It not only enhances business accessibility to digital tools - especially for small and medium-sized enterprises (SMEs)- but also strengthens financial inclusion by enabling faster and more secure payment methods.

According to Belkacem and Bouzidi (2020), SMEs in Algeria face challenges in adopting e-commerce due to limited digital literacy and insufficient trust in online payments. The study suggests that while internet penetration is increasing, the pace of digital adoption among businesses is still constrained by infrastructural and cultural factors.

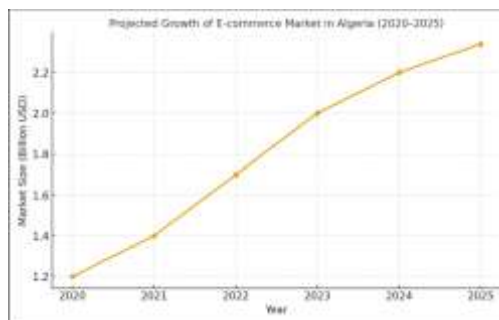
A recent analysis by Benhabib and Medjkoune (2023) argues that Algeria's digital transition contributes positively to economic diversification by enabling new business models and facilitating market entry for small enterprises. However, the authors stress that progress remains gradual due to regulatory bottlenecks and limited digital payment infrastructure.

However, despite this positive trajectory, structural challenges persist. The continued dependence on cash payments, particularly the widespread use of cash-on-delivery systems, remains one of the key obstacles hindering the sector's full digitalization. These challenges underscore the need for stronger policy support and infrastructure improvements to ensure a smoother transition toward a cashless economy.

In parallel, UNCTAD (2024) notes that Algeria's e-commerce growth is reinforced by rising internet penetration, greater smartphone usage, and evolving consumer preferences. Revenue projections indicate sustained growth through 2025, reflecting a gradual increase in consumer confidence in online transactions and the expanding role of domestic e-commerce platforms. Collectively, these developments illustrate Algeria's growing potential as an emerging digital hub within the North African region.

The figure below demonstrates depicts the projected growth of Algeria's e-commerce market between 2020 and 2025. The visualization highlights the sector's upward trajectory, emphasizing the increasing adoption of online platforms by consumers and SMEs. This figure provides a clear illustration of Algeria's evolving digital economy.

Figure (03): Projected growth of e-commerce market in Algeria



The source: UNCTAD, 2024

The upward trajectory of Algeria's e-commerce sector, as outlined by UNCTAD (2024), is further illustrated in Figure (03), which depicts projected revenue growth between 2020 and 2025. The market size has risen steadily from approximately USD 1.2 billion in 2020 to an expected USD 2.3 billion by 2025. This consistent expansion reflects not only the gradual improvement in consumer trust toward online platforms but also the broader diffusion of digital technologies across Algerian society. When linked to the challenges previously noted-such as reliance on cash payments-the figure demonstrates that, despite structural barriers, consumer demand continues to drive the market forward. Consequently, Algeria is positioning itself as an emerging digital economy within North Africa, with future opportunities depending on how effectively policymakers and businesses address existing constraints while leveraging the population's growing digital adoption.

IV.2. The Influence of Social Media on Purchasing Decisions:

In recent years, social media has become a fundamental factor shaping consumer purchasing behavior and redefining marketing dynamics. Through platforms such as Facebook, Instagram, and TikTok, businesses can now reach large audiences, present their products interactively, and communicate directly with customers. This digital interaction provides users with easy access to detailed product information and allows them to share experiences and opinions that influence the decisions of other consumers (Chahdi, 2024).

As noted by Chahdi (2024), the power of social media in influencing purchasing decisions lies in its ability to create engaging content, highlight user reviews and recommendations, and establish personalized relationships between brands and consumers. These mechanisms build awareness, enhance trust, and strengthen customer loyalty—key elements in driving purchasing behavior in digital markets. However, the degree of influence is not uniform across all individuals; consumer responses depend on personal preferences, exposure levels, and the nature of the content they engage with.

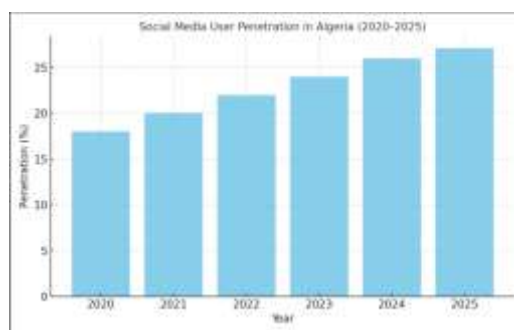
Research by Hajli (2015) indicates that social interactions on platforms such as Facebook and Instagram significantly influence consumer trust and purchase intention. The study found that user-generated content, including reviews and recommendations from peers, plays a crucial role in shaping perceptions and encouraging online transactions.

Moreover, social media should be viewed not as an isolated marketing channel but as an integral part of a broader strategic framework aimed at achieving long-term brand growth. Businesses are encouraged to adopt targeted and evidence-based digital strategies, constantly assessing the performance of their online campaigns to ensure that social media contributes effectively to achieving marketing objectives (Chahdi, 2024).

In the Algerian context, social media has emerged as a vital driver of digital commerce. Platforms such as Facebook, Instagram, and TikTok are increasingly being used as virtual marketplaces where consumers discover, evaluate, and purchase local products. This growing trend demonstrates how social media is reshaping consumer engagement and expanding opportunities for small and medium-sized enterprises to participate in the digital economy (Statista, 2023).

Figure 04 illustrates the continuous growth in social media users in Algeria from 2020 to 2025. This figure underscores the increasing connectivity of the population and highlights the expanding potential for businesses to leverage social platforms for commercial purposes. It serves as a visual representation of the link between rising social media engagement and the adoption of social commerce practices among Algerian consumers.

Figure (04): Social media user penetration in Algeria



The source: Statista, 2023

As shown in the figure above, the steady increase in social media user penetration in Algeria between 2020 and 2025. The rising trend, which surpasses 50% of the population by 2025, indicates a significant shift toward digital connectivity and interaction. This growth represents a key enabler for social commerce, as higher social media engagement directly expands the potential customer base and facilitates more personalized marketing strategies. The figure also implies that businesses integrating social platforms into their sales and promotion efforts are more likely to reach engaged audiences, enhancing both visibility and transactional activity within the Algerian market (Statista, 2023).

IV.3. E-commerce Market Outlook in Algeria:

The e-commerce sector in Algeria is witnessing steady and continuous growth, positioning itself as one of the most promising segments of the national digital economy. According to Statista (2025), revenue in the Algerian e-commerce market is expected to reach USD 2.34 billion by 2025, with a projected compound annual growth rate (CAGR) of 3.46% between 2025 and 2030, resulting in an estimated market volume of USD 2.77 billion by 2030.

While the United States continues to dominate the global e-commerce landscape with an anticipated market volume of USD 1.17 trillion in 2025, Algeria's domestic market shows strong potential for expansion driven by rising internet accessibility and digital adoption. The number of e-commerce users in Algeria is forecasted to reach 14 million by 2030, with user penetration increasing from 27.1% in 2025 to 28.5% in 2030. Moreover, the average revenue per user (ARPU) is expected to approach USD 199.49, indicating growing consumer confidence and spending activity within the online marketplace. These figures highlight Algeria's gradual but significant integration into the global digital economy and underscore the importance of continued investment in digital infrastructure and trust-building mechanisms to sustain this upward trajectory.

According to Mansouri and Hadjaj (2022), improvements in internet penetration and mobile broadband coverage have positively influenced Algeria's digital ecosystem. Their study reports that 4G coverage reached over 90% of the population, which facilitated the expansion of online services. Nonetheless, disparities between regions persist, affecting the uniform development of e-commerce.

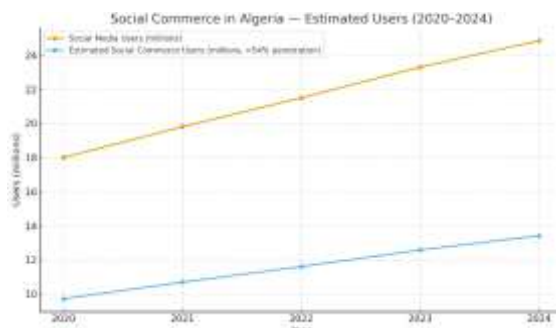
IV.4. Social Commerce in Algeria:

As highlighted by DataReportal (2024), the rapid increase in Algeria's social media users-exceeding 24 million individuals-has created a fertile environment for the growth of social commerce. This digital expansion has not only enhanced social connectivity but also transformed the way consumers interact with businesses. Social platforms are gradually evolving from spaces of communication and entertainment into multifunctional environments that integrate marketing, customer engagement, and online shopping within a single ecosystem.

This evolution has encouraged Algerian entrepreneurs and companies to adopt new commercial models that leverage social platforms such as Facebook, Instagram, and TikTok as direct sales channels. By capitalizing on high user activity and interactive features, businesses can reach potential customers more effectively while offering personalized shopping experiences built on trust and immediacy.

Figure 05 demonstrates the growth of social commerce users in Algeria between 2020 and 2024, showing the transformation of social media platforms from communication tools to commercial channels. This visualization reflects the emergence of new business models that integrate marketing, customer engagement, and direct sales, emphasizing the relevance of social commerce as a key driver of digital economic activity.

Figure (05): Social commerce in Algeria



The source: DataReportal, 2024

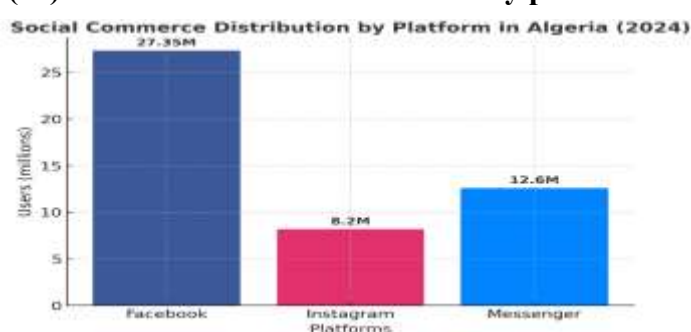
Figure 05 captures the evolution of social commerce adoption in Algeria between 2020 and 2024, highlighting the increasing role of social media platforms as commercial spaces. The continuous rise in user engagement reflects the integration of marketing, product discovery, and direct sales within these platforms. This trend emphasizes that Algerian consumers are increasingly viewing social media not only as a tool for communication but also as a practical avenue for shopping and interaction with brands. Moreover, the figure illustrates how Entrepreneurs are leveraging social commerce to reach wider audiences, foster customer engagement,

and provide real-time responses, thereby strengthening trust and enhancing the overall consumer experience.

Building on the rapid growth of social commerce highlighted by DataReportal (2024), it becomes essential to examine how this trend is distributed across specific platforms within Algeria. Insights from NapoleonCat (2024) reveal that Facebook, Instagram, and Messenger are the primary drivers of social commerce in the country. Among these, Facebook holds a dominant position, operating as a central marketplace for small and medium-sized enterprises to expand their reach and attract diverse consumer groups. Instagram, despite its smaller user base, has established a strong influence among younger audiences who increasingly rely on the platform for product discovery and brand engagement. Complementing these dynamics, Messenger facilitates direct interaction between sellers and buyers, reinforcing trust and enabling more seamless transactions.

This distribution demonstrates that Algerian consumers are not only engaging with social media for communication but also actively integrating these platforms into their purchasing behavior. As shown in Figure (06), the interplay between Facebook, Instagram, and Messenger illustrates the deep connection between social networking and commerce, where online social interactions increasingly shape consumer decision-making and transaction patterns.

Figure (06): Social commerce distribution by platform in Algeria



The source: NapoleonCat, 2024

Figure (06) breaks down this engagement by platform, revealing Facebook's dominance in Algeria's social commerce landscape. Facebook's leading position can be attributed to its first-mover advantage, widespread adoption across age groups, and the early organic development of buy-and-sell groups, which laid the groundwork for commercial behavior. Instagram's strong performance, particularly with younger demographics, stems from its visual-centric nature, ideal for product showcasing and influencer marketing. Messenger's role as a facilitator underscores the transaction's social and trust-based nature, where direct, personal communication often precedes a sale. This distribution does not merely show platform preference; it reflects the interconnectedness of social interaction and purchasing behavior. The high usage of Facebook and Messenger together suggests that discovery (via feeds and groups) and transaction negotiation (via private messages) are deeply linked stages in the Algerian consumer's journey. Previous studies suggest that exposure to user-generated content and online reviews can positively affect consumer choices (Chahdi, 2024), yet the extent to which this translates into actual purchases in the Algerian context remains to be fully explored.

A study by Ghazi and Laredj (2022) reveals that social commerce is rapidly expanding in Algeria, driven primarily by informal online selling via Facebook and Instagram. Their findings show that although consumer engagement is high, the lack of structured payment systems and limited legal protections constrain the formalization of this activity.

V. Results and discussion:

The findings of this study indicate that Algeria's e-commerce sector has recorded significant progress in recent years, particularly in service-related activities. This development has been largely supported by the rapid expansion of information and communication technologies (ICT) and the broader availability of internet services across the country, as reported by UNCTAD in its 2024 assessment of digital trade in North Africa. The same report highlights that the number of registered e-commerce businesses in Algeria has grown at an average annual rate of about 92 percent since 2020, while online payment transactions for goods and services have tripled over the same period. Despite these achievements, most e-commerce activity remains domestically oriented, and payments for goods still represent less than one percent of total transactions, suggesting that while business-to-consumer (B2C) e-commerce sales accounted for 0.8 percent of GDP in 2023, there remains vast potential for future expansion.

Based on these observations, it appears that a comprehensive national e-commerce strategy is essential to enhance coordination among institutions and to guide the country's transition toward a fully digital economy. Algeria's technological foundation is already promising, with internet usage reaching nearly 77 percent of the population in 2023. In addition, mobile phone and mobile internet penetration have reached impressive levels—112 and 104 percent respectively—while mobile broadband coverage extends to over 98 percent of citizens, according to UNCTAD's latest figures. Nevertheless, this growth has not yet been matched by digital payment adoption. Around 90 percent of online purchases continue to rely on cash upon delivery, and even though electronic payment transactions have increased by an estimated 87 percent annually over the past five years, most consumers still use bank cards for withdrawals rather than online purchases. This reliance on cash reflects a persistent hesitation to trust online financial systems, which in turn limits the expansion of social commerce models that depend on seamless and secure digital transactions.

The institutional and legal frameworks supporting digital transformation in Algeria reveal encouraging signs of maturity, as the country continues to consolidate its regulatory foundation for e-commerce and related digital activities. Over the past decade, Algeria has enacted several key legal instruments covering domains such as online transactions, cybercrime, electronic signatures, postal and electronic communications, and personal data protection. Building on this foundation, a new national cybersecurity law is currently under preparation and is expected to reinforce user trust in online operations and strengthen the security environment for digital transactions.

Within this regulatory landscape, Law No. 18-05 of May 10, 2018 (People's Democratic Republic of Algeria, 2018), established the first comprehensive legal framework governing e-commerce activities, defining the rights and obligations of both consumers and online sellers. This legislation is supported by Law No. 09-04 of August 5, 2009 (People's Democratic Republic of Algeria, 2009), which outlines the national strategy for preventing and combating cybercrime, and by Executive Decree No. 16-99 of April 7, 2016 (People's Democratic Republic of Algeria, 2016), which regulates the use and validity of electronic signatures. Although these instruments provide a structured legal basis for digital commerce, their practical enforcement remains uneven. The continuing prevalence of cash-on-delivery as the dominant payment method illustrates that legal provisions have not yet fully translated into operational trust or widely standardized practices across the digital marketplace.

At the regional and international levels, ongoing initiatives further underscore Algeria's potential for digital integration. UNCTAD's 2024 assessment highlights that the development of a national single-window trade platform, alongside Algeria's participation in the African Continental Free Trade Area's Protocol on Digital Trade, could enhance cross-border connectivity and open new opportunities for emerging digital enterprises. These developments suggest that while the legal framework is already in place, the next phase will depend on effective implementation, institutional coordination, and increased awareness among economic actors.

At the same time, social media platforms are emerging as vital components of Algeria's e-commerce landscape. DataReportal's 2023 survey reveals that nearly 24 million Algerians—about 53 percent of the population—actively use social networks, with Facebook reaching approximately 21 million users, Instagram 8 million, and Snapchat nearly 7 million. These numbers illustrate the immense marketing and transactional potential embedded within Algeria's social media ecosystem. However, as observed by Benaissa in 2024, many consumers remain wary of purchasing directly through these platforms due to concerns about limited buyer protection and inadequate refund mechanisms. This lingering lack of trust represents one of the major barriers preventing social media from becoming a fully integrated commercial channel.

The study's first hypothesis (H1), suggesting that the integration of social media platforms significantly influences the growth and practice of e-commerce in Algeria, is supported by the data. With over 24 million social media users (DataReportal, 2024) and platforms such as Facebook, Instagram, and Snapchat facilitating product discovery and direct engagement, social media has become a central driver of e-commerce activities. SMEs leverage these platforms to expand their reach, interact with consumers, and increase sales, demonstrating a clear link between digital engagement and commercial outcomes.

Nevertheless, the second hypothesis (H2)—that structural barriers in payment infrastructure and consumer trust constrain social commerce—is also validated. Although online payment adoption is growing (87% annual increase), the prevalence of cash payments and limited consumer trust continue to impede seamless digital transactions. This structural limitation affects not only

transaction efficiency but also the overall growth trajectory of social commerce in Algeria, highlighting the importance of regulatory support and secure payment solutions.

The third hypothesis (H3), positing a positive correlation between rising social media usage and adoption of social commerce practices, is partially confirmed. Social media penetration has increased from 20 million users in 2020 to over 24 million in 2024, enabling higher consumer engagement with online commerce (Statista, 2023; DataReportal, 2024). Facebook dominates the market due to its widespread adoption and established buy-and-sell groups, while Instagram engages younger audiences and Messenger facilitates direct transactions. However, this correlation is moderated by persistent structural and behavioral barriers, including payment limitations and cautious consumer behavior.

In summary, the analysis reveals a dual reality: Algeria's e-commerce ecosystem benefits from a strong technological foundation and a rapidly growing digital user base, yet its expansion is hindered by trust issues, cash dependency, and uneven enforcement of legal frameworks. Social media emerges as a critical enabler, offering unprecedented opportunities for SMEs to market and sell products effectively, but its full potential is contingent upon overcoming these structural challenges.

VI. Conclusion:

This study has explored the dynamic evolution of e-commerce and social commerce in Algeria, examining how digital infrastructure, social media engagement, and consumer behavior shape the country's online commercial landscape. The analysis reveals that Algeria benefits from significant digital advancements, including widespread internet and mobile penetration, increasing numbers of e-commerce businesses, and growing social media adoption, which collectively foster an environment conducive to online trade.

At the same time, structural and behavioral challenges remain influential. Cash-based payments still dominate, consumer trust in online transactions is limited, and the enforcement of digital regulations is uneven. Despite these constraints, social media platforms such as Facebook, Instagram, and Messenger are increasingly integrated into the commercial practices of both consumers and businesses, highlighting the transformative potential of social commerce as a medium for engagement, marketing, and sales.

The findings suggest that while Algeria's digital ecosystem is developing steadily, the success of e-commerce and social commerce depends on the alignment of technological capabilities with effective governance, secure financial systems, and consumer confidence. This nuanced understanding illustrates that opportunities for economic growth exist, but their realization requires coordinated policy support, institutional development, and digital literacy initiatives. Based on these conclusions, the study recommends the following actions:

- Strengthening digital governance: Establish clear and enforceable legislation on online consumer protection, data privacy, and electronic transactions.
- Promoting digital payment systems: Encourage banks and fintech institutions to expand secure and user-friendly electronic payment solutions, thereby reducing dependence on cash.
- Leveraging social media platforms: Support SMEs in integrating platforms such as Facebook, Instagram, and TikTok into their marketing strategies to enhance brand visibility and trust.
- Improving logistics and delivery systems: Invest in modern, efficient, and transparent delivery networks to ensure reliability and customer satisfaction.
- Enhancing digital literacy: Launch nationwide awareness programs to educate both consumers and entrepreneurs on safe and effective online practices.
- Encouraging regional integration: Utilize opportunities within the African Continental Free Trade Area (AfCFTA) to promote cross-border digital trade.

While this research provides valuable insights into the development of e-commerce and social commerce in Algeria, it is limited by the scarcity of comprehensive national data and the lack of field studies assessing consumer behavior across different regions. Future research should therefore focus on empirical analysis and comparative studies between Algeria and neighboring countries to identify best practices and support evidence-based digital policy development.

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