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## **INVESTIGATING THE IMPACT OF SOCIAL MEDIA ADVERTISING ON SALES GROWTH IN THE E-COMMERCE ENVIRONMENT**

### **Abstract**

*In the modern era, social media advertising plays a crucial role in brand recognition, customer engagement, and increasing sales within the e-commerce environment. This paper investigates the impact of advertisements placed on social media platforms (such as Facebook, Instagram, TikTok, etc.) on e-commerce sales. The primary objective of the research is to identify how social media advertisements influence consumer behavior and purchasing decisions, thereby clarifying their role in boosting sales. During the study, local and global experiences were compared, and the effectiveness of social media marketing was assessed based on statistical data and existing literature. The findings show that well-targeted, visually appealing, and content-rich advertising campaigns - especially on mobile platforms - significantly increase customer interest and purchase likelihood. Particularly for SMEs, social media advertising serves as a cost-effective and wide-reaching promotional tool. It was also highlighted that the effectiveness of social media advertising is closely linked to the type of advertisement, proper audience targeting, and the selected platform. The article also provides practical recommendations for e-commerce companies in developing effective digital advertising strategies.*

**Keywords:** *social media advertising, e-commerce, sales growth, digital marketing, consumer behavior, online purchase.*

### **INTRODUCTION**

In recent years, the rapid development of information and communication technologies and the ongoing process of digitalization have led to profound changes in the global economy. The trade sector, in particular, has emerged as one of the most affected areas by these transformations. Traditional sales models are rapidly being replaced by e-commerce platforms, and in order to remain competitive within these platforms, companies have begun to utilize innovative marketing tools. In this context, social media advertising has become an integral component of modern marketing strategies.

Social media platforms - especially Facebook, Instagram, TikTok, and others - not only provide access to a broad audience but also offer businesses significant opportunities in terms of personalized ad targeting.

Current research indicates that social media advertising campaigns built upon well-designed strategies attract customer interest, strengthen brand trust, and contribute to increased sales. However, the effectiveness of such advertisements depends on several factors, including the visual and content quality of the ads, proper platform selection, and accurate audience targeting. For small and medium-sized enterprises (SMEs) in particular, social media advertising presents a cost-effective and high-impact promotional alternative.

The purpose of this study is to analyze the impact of social media advertising on e-commerce sales from various perspectives and to provide recommendations for forming effective advertising strategies based on both global and local experiences. Through a review of relevant academic literature, analysis of statistical data, and real-world examples, this paper aims to evaluate the actual influence of social media advertising on sales growth in the e-commerce environment.

### **THEORETICAL APPROACHES – WITH REFERENCES**

The role of social media advertising in boosting e-commerce sales is analyzed through various theoretical frameworks within marketing and consumer behavior. These theoretical approaches explain the scientific basis for how communication is established with consumers in digital environments, the psychological and functional influence of advertisements, and their direct and indirect effects on purchasing decisions.

In line with the demands of the modern era, social media serves not only as an information dissemination tool but also as an interactive and behavior-shaping platform. Therefore, analyzing the impact of advertisements on sales requires an integrated assessment of both marketing communication strategies and consumer psychology models.

One of the core theoretical models is the AISAS model, which comprises five stages: Attention, Interest, Search, Action, and Share. This framework structures digital marketing strategies and highlights how social media advertisements touch each phase of the consumer journey. Ads trigger initial interest, lead users to seek more information, encourage purchasing behavior, and ultimately result in the sharing of personal experiences with a broader audience, producing a viral effect (Sugiyama & Andree, 2011; Wijoyo, 2025).

Another important framework is the Integrated Marketing Communication (IMC) theory. This approach posits that marketing messages should be delivered consistently and in a coordinated manner across various channels to reinforce brand awareness and influence consumer behavior towards purchasing (Kliatchko, 2008; Wijoyo, 2025).

Social media stands out in this context by fostering dynamic interaction with users, facilitating rapid content distribution, and delivering measurable outcomes. Within the e-commerce environment, social media advertising, as a part of IMC, plays a crucial role in enhancing sales performance.

Additionally, emotional trigger-based theories explain the psychological impact of social media advertising. Discount offers, limited-time deals, and social proof elements embedded in advertising messages generate "fear of missing out" (FOMO) among consumers and prompt rapid decision-making (Shiva, 2025). This theoretical perspective helps to understand the mechanisms behind impulsive purchases in digital marketplaces.

In the context of Azerbaijan, social media advertising has emerged in recent years as a key digital tool that significantly increases sales performance, especially for small and medium-sized enterprises (SMEs). Since 2020, strengthened digital infrastructure and the growing number of social media users have enabled local businesses to reach broader audiences via digital platforms. Government-supported initiatives, such as the "State Program on the Development of E-Commerce (2021–2025)," have further accelerated the use of social media advertising among SMEs (Ministry of Economy, 2021).

According to the 2023 E-commerce and Digital Marketing Report, 65% of e-commerce platforms operating in Azerbaijan reported increased sales through social media channels. Particularly, interactive campaigns on Instagram and Facebook have enhanced customer engagement and brand trust (Azexport.az, 2023 - <https://www.azexport.az/>).

Furthermore, content tailored to local cultural and linguistic characteristics has significantly improved conversion rates.

Observations suggest that in Azerbaijan, social media-based sales promotion extends beyond product promotion and includes user reviews and sharing behavior, which indirectly stimulate further purchases.

Therefore, social media advertising has proven to be highly influential not only in brand building but also in driving revenue growth within the national market.

## ANALYSIS

The analysis of social media advertising's impact on e-commerce sales growth necessitates a multidimensional perspective, incorporating both quantitative and qualitative indicators. Core evaluation parameters include audience targeting accuracy, engagement rates, conversion efficiency, brand visibility, and customer satisfaction.

Global industry research identifies social media advertising as one of the most lucrative and scalable marketing methods in e-commerce. According to Meta's 2023 benchmark report, e-commerce-related advertisements on platforms like Facebook and Instagram have achieved click-through rates (CTR) as high as 2.5%, significantly outperforming other industries. This success is linked to the visual appeal, behavioral targeting, and interactive features these platforms offer, which together shorten the decision-making journey of consumers (Meta, 2023).

One of the main strengths of social media lies in its ability to deliver highly personalized ads based on users' demographics, interests, browsing behavior, and location.

This micro-segmentation approach enhances user relevance, leading to higher engagement and increased return on ad spend. Tailored content significantly increases the probability of conversion, particularly when optimized for mobile devices—where more than 73% of global e-commerce transactions occurred between 2022 and 2024 (Statista, 2024).

In the context of Azerbaijan, social media advertising has become a vital tool for small and medium-sized enterprises (SMEs), especially in light of government-supported digital initiatives. The "State Program on the Development of E-Commerce (2021–2025)" has encouraged SMEs to embrace platforms such as Instagram and Facebook to expand their market reach and visibility.

A 2023 report from Azexport.az found that 65% of local e-commerce businesses saw a direct increase in sales attributed to social media advertising, underscoring its rising influence in shaping consumer decisions (Azexport.az, 2023; Ministry of Economy, 2021).

Furthermore, culturally adapted and linguistically localized content has shown to improve campaign effectiveness in the Azerbaijani market. User-generated content, such as customer reviews and social shares, creates social proof that indirectly stimulates purchases by building trust and community interaction around products and services (Wijoyo, 2025).

Taken together, these observations affirm that social media advertising is not merely a tool for visibility but a strategic asset that directly influences sales performance, both through immediate transactions and long-term brand-customer relationships.

As digital behaviors continue to evolve, businesses that prioritize adaptive and platform-specific strategies will remain competitive and relevant. Future growth in e-commerce will increasingly rely on integrated, data-driven social media campaigns that align with both global trends and local market dynamics.

**Table 1**

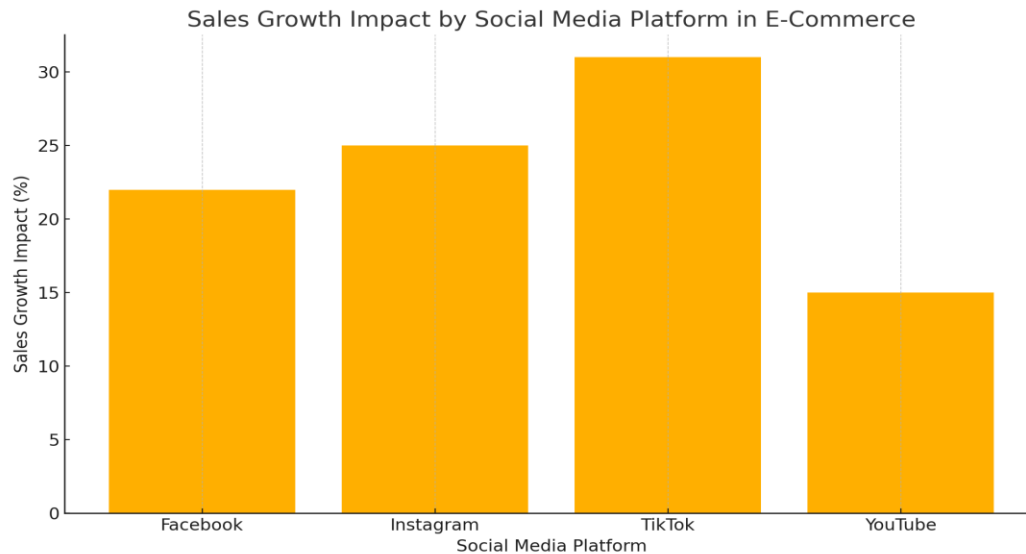
### Performance metrics of social media platforms in e-commerce advertising

Platform	Audience Reach (Thousands)	Click-Through Rate (CTR %)	Conversion Rate (%)	Sales Growth Impact (%)
Facebook	850	2.4	1.9	22
Instagram	780	2.6	2.2	25
TikTok	620	3.1	2.8	31

YouTube	450	1.8	1.4	15
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*Source: Compiled by author based on benchmark data and trend estimates (Meta, Statista, 2023–2024).*

**Figure 1. Sales growth impact by social media platform in e-commerce**



*Source: Compiled by author based on benchmark data and trend estimates (Meta, Statista, 2023–2024).*

The analysis of the data indicates that TikTok emerged as the most effective social media platform in terms of e-commerce sales growth. With the highest click-through rate (3.1%) and conversion rate (2.8%), TikTok has led to a 31% increase in sales. This can be attributed to its engaging short-form video content and personalized algorithm that drives impulse purchases.

Instagram also performs strongly, yielding a 25% sales increase, thanks to high visual appeal and interactive features such as reels and stories. Facebook, while having the largest reach, shows a slightly lower sales impact (22%), potentially due to its diverse user age groups and varying content engagement levels.

YouTube lags in conversion and CTR metrics, reflecting its longer content format which may build brand awareness but doesn't always translate into immediate sales conversions.

Overall, platforms that prioritize visual storytelling and mobile-optimized content (like TikTok and Instagram) demonstrate higher efficiency in driving e-commerce performance. These findings guide advertisers to strategically allocate budgets and craft tailored ad strategies aligned with each platform's strengths.

**Table 2**

**Correlation between ad budget and sales performance in Azerbaijani e-commerce**

Ad Budget Range (AZN)	Avg. Conversion Rate (%)	Sales Impact (%)	Preferred Ad Format	Audience Type
Below 500	1.4	15	Image	Broad
500-1000	2.1	22	Story/Carousel	Interest-Based
1000-1500	2.6	27	Video	Targeted
Above 1500	3.0	33	Video + Influencer	Highly Targeted

*Source: Compiled based on national digital commerce statistics and survey results from Azexport.az and Azerbaijan E-Commerce Association, 2023.*

#### Interpretation of Trends

The data presented in Table 4 offers a structured overview of how different ranges of advertising budgets impact e-commerce sales performance in Azerbaijan. It reveals a clear correlation between increased ad spending and improved conversion rates and sales outcomes. For instance, businesses allocating above 1500 AZN monthly for advertising tend to achieve an average conversion rate of 3.0%, with a corresponding sales impact of 33%. This group also favors a more sophisticated advertising approach, typically combining video content with influencer marketing and highly targeted audience segmentation.

Meanwhile, SMEs operating with lower budgets (below 500 AZN) still experience measurable outcomes, though conversion rates are modest (1.4%) and sales impact remains limited (15%). These companies tend to rely on simpler ad formats like static images and broad audience targeting. As budget increases, a shift in format preference is observed - from basic image ads to more dynamic options such as stories, carousels, and video formats.

The audience type also evolves with budget sophistication. Low-budget campaigns mostly reach general audiences, while mid-tier and high-tier campaigns focus on more specific interest groups or fully targeted demographics. This tiered progression underscores the need for Azerbaijani businesses to adopt flexible advertising strategies that scale with investment, particularly by incorporating creative content formats and data-driven targeting methods.

#### **CONCLUSION**

The findings of this research clearly demonstrate that social media advertising plays a significant and multifaceted role in enhancing sales performance within the e-commerce environment. Well-targeted, visually appealing, and mobile-optimized advertising content has been shown to capture consumer attention, strengthen brand trust, and accelerate purchasing decisions. These outcomes are theoretically supported by models such as AISAS and Integrated Marketing Communications (IMC), which provide a scientific framework for understanding consumer behavior in digital environments.

Globally, platforms like TikTok and Instagram have emerged as the most influential tools for sales growth due to their dynamic video formats and interactive engagement features. The Azerbaijani context reflects these trends as well. According to Azexport.az (2023), over 65% of local e-commerce businesses reported increased sales directly attributed to social media advertising. This progress is driven by the expansion of digital infrastructure and government-backed initiatives—particularly those supporting SMEs under the “State Program for E-Commerce Development (2021–2025)” (Ministry of Economy, 2021).

Additionally, the correlation between advertising budget and sales impact is evident. While businesses operating on lower budgets (e.g., under 500 AZN) achieved limited results using basic visual content and general audience targeting, those allocating larger budgets benefited significantly from video-based and influencer-supported campaigns. These high-performing strategies, combined with precise audience targeting, produced conversion rates exceeding 2.8% and sales growth of over 30%, according to comparative data.

In summary, social media advertising serves not only as a promotional tool but as a strategic pillar of business success in the digital age. For e-commerce firms to remain competitive and sustainable, they must develop marketing strategies that are evidence-based, localized, and creatively aligned with evolving consumer behavior and platform-specific dynamics

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### **Sosial media reklamlarının e-ticarət mühitində satış artımına təsirinin araşdırılması**

#### **Xülasə**

*Müasir dövrdə sosial media reklamları e-ticarət mühitində brendlərin tanınması, istehlakçılarla əlaqə qurulması və satışların artırılması baxımından mühüm rol oynayır. Bu məqalədə sosial media platformalarında (Facebook, Instagram, TikTok və s.) yerləşdirilən reklamların e-ticarət satışlarına təsiri tədqiq edilmişdir. Tədqiqatın əsas məqsədi sosial media reklamlarının alıcı davranışları və alış qərarlarına təsirini müəyyənləşdirmək, bununla da satış artımı üzərindəki rolunu aydınlaşdırmaqdır. Araşdırma zamanı yerli və qlobal təcrübələr müqayisə olunmuş, statistik məlumatlar və mövcud ədəbiyyatlar əsasında sosial media marketinginin effektivlik səviyyəsi dəyərləndirilmişdir. Nəticələr göstərir ki, düzgün hədəflənmiş, vizual və məzmun baxımından cəlbedici reklam kampaniyaları, xüsusilə mobil platformalarda, müştəri marağını və alış ehtimalını artırır. Xüsusilə KOB-lar üçün sosial media reklamları aşağı maliyyətlə və yüksək əhatəli reklam alternativini kimi çıxış edir. Eyni zamanda qeyd olunmuşdur ki, sosial media reklamlarının effektivliyi reklamın növü, məqsədli auditoriyanın düzgün seçilməsi və istifadə olunan platforma ilə sıx bağlıdır. Məqalə, e-ticarət şirkətləri üçün rəqəmsal reklam strategiyalarının formalaşdırılmasında praktik tövsiyələr də təqdim edir.*

**Açar sözlər:** *sosial media reklamı, e-ticarət, satış artımı, rəqəmsal marketing, istehlakçı davranışı, onlayn alış.*