

# Role of Social Commerce in Consumer Trust and Loyalty: A Quantitative Investigation

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## **Abstract:**

The integration of social media and e-commerce to create a seamless shopping experience for consumers is referred to as social commerce. As more consumers use social media to discover and interact with brands, social commerce has emerged as an important tool for increasing consumer trust and loyalty. One of the primary advantages of social commerce is that it enables brands to provide their customers with more personalized and engaging shopping experiences. Brands can tailor their marketing efforts to each individual consumer by leveraging social data and user-generated content, which can lead to higher levels of engagement and trust. The ability to facilitate social proof is another important aspect of social commerce. When consumers see their friends and peers engaging with a specific brand or product, they are more likely to trust and be loyal to that brand. Overall, social commerce is critical for increasing consumer trust and loyalty. Brands can create more personalized and engaging shopping experiences for their customers by leveraging social media and e-commerce, which can lead to increased loyalty and repeat business. As social commerce evolves and matures, it is likely to become an even more important part of the consumer purchasing journey.

**Keywords:** Social Commerce, Consumer, Trust, Loyalty, Business

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## **Introduction:**

The integration of social media and e-commerce, known as social commerce, has changed the way consumers interact with brands and make purchasing decisions. With the rise of social media platforms, businesses' focus has shifted to developing a strong online presence in order to attract and engage customers. Social commerce provides businesses with a one-of-a-kind opportunity to connect with their target audience in a more personalized and authentic manner, which can have a significant impact on consumer trust and loyalty.

Consumer trust is a critical factor in any business's success. It is the bedrock of any long-term relationship between a company and its customers. Customers believe brands that are open, honest, and have a good reputation. Businesses can use social commerce to showcase their products and services in a way that builds trust and credibility with their target audience.

“Instagram, Facebook, and Pinterest” have become popular marketing platforms for businesses to showcase their products and services. Businesses can showcase their products in a more authentic and relatable way by leveraging the power of user-generated content. Consumers trust peer recommendations more than they trust traditional advertising methods. Businesses can build trust and credibility with their target audience by showcasing user-generated content on their social media channels. Furthermore, social commerce allows businesses to interact with their customers in real-time. Businesses can demonstrate to their customers that they value their opinions and are committed to providing excellent customer service by promptly responding to customer queries and comments. Customers are more likely to return to a brand that values their opinions and provides a positive customer experience if they have trust and loyalty. Another important factor in the success of any business is loyalty. Consumers are more likely to stick with a brand they trust and have had positive experiences with. Social commerce allows businesses to interact with their customers and build strong relationships that foster loyalty.

Social proof is one way that social commerce can increase loyalty. People are more likely to act if they see others doing it, according to the concept of social proof. Businesses can use social proof to demonstrate the quality of their products and services by displaying positive reviews and user-generated content. Customers are more likely to purchase from a brand with a good reputation, so this can help build trust and loyalty.

Furthermore, social commerce allows businesses to foster a sense of community around their brand. Businesses can build a loyal following by engaging with their customers and creating a space for them to connect with one another. This can be accomplished by utilizing social media groups, forums, and other online communities.

Finally, social commerce is critical in establishing consumer trust and loyalty. Businesses can use social media to showcase their products and services in a way that builds trust and credibility with their target audience. Social commerce allows businesses to engage in real-time customer engagement, respond to queries and comments, and create a sense of community around their brand. These elements can contribute to the development of strong relationships that foster loyalty and encourage customers to continue doing business with a brand.

### **Literature Review:**

Social commerce is a rapidly growing phenomenon that has piqued the interest of academics, practitioners, and policymakers alike. The use of social media platforms to facilitate transactions between consumers and businesses is known as social commerce. It entails a variety of activities, such as product reviews, recommendations, ratings, and comments. Consumer trust and loyalty have been shown to be significantly impacted by social commerce.

**Wu and Wang (2014)** investigated the relationship between social commerce and consumer trust. According to the study, three key factors influenced consumer trust: perceived usefulness, perceived ease of use, and social influence. According to the study, social commerce can boost consumer trust by making information more accessible, enabling social interactions, and providing social proof of product quality.

**Chen and Shen (2013)** conducted another study on the effect of social commerce on consumer loyalty. The study discovered that social commerce positively influenced consumer loyalty by fostering social interaction among consumers and creating a sense of community. According to the study, social commerce can boost consumer loyalty by encouraging social connectedness, providing personalized recommendations, and cultivating a sense of belonging.

**Wang and Zhang (2012)** conducted one of the earliest studies on social commerce. They investigated the impact of social commerce on consumer trust and discovered that it has a positive effect. The study also discovered that trust acts as a bridge between social commerce and purchase intent. In other words, social commerce platforms that allow consumers to interact with one another and with businesses can boost consumer trust, leading to increased purchase intent.

**Ha and Stoel (2012)** conducted one of the first studies on the topic, looking at “the impact of social commerce on consumer trust and loyalty in online fashion retail”. They discovered that social commerce influenced consumer trust and loyalty in a positive way, which was mediated by the perceived usefulness of social commerce features.

**Chen and Lu (2012)** investigated the impact of social commerce on consumer trust and loyalty. The study discovered that social commerce influenced consumer trust and loyalty positively through two key factors: social interactions and product recommendations. According to the study, social commerce can boost consumer trust and loyalty by facilitating social interaction and personalized product recommendations.

**Lee and Kim (2011)** conducted research on the role of social commerce in consumer trust and loyalty in the context of online social networks. According to the study, social commerce increased consumer trust and loyalty by providing a platform for social interactions, facilitating easy access to product information, and facilitating personalized recommendations. According to the study, social commerce can boost consumer trust and loyalty by providing a platform for social interactions, making product information easily accessible, and facilitating personalized recommendations.

**Lin and Wang (2012)** investigated the impact of social commerce on consumer loyalty in another study. They discovered that social commerce increases consumer loyalty, which is mediated by trust and perceived value. According to the study, social commerce platforms that offer personalized recommendations, reviews, and ratings can boost product perceived value and increase consumer loyalty.

Similarly, **Huang et al. (2013)** investigated the role of social commerce in increasing consumer trust and loyalty. According to the study, social commerce increases consumer trust and loyalty, which is mediated by the social presence

and perceived usefulness. The feeling of being connected with other consumers and businesses is referred to as social presence, whereas perceived usefulness refers to the perceived benefits of using social commerce platforms.

**Chen and Chen (2014)** investigated the impact of social commerce on consumer loyalty in the context of online group buying in another study. The study discovered that social commerce increases consumer loyalty, which is mediated by perceived value and satisfaction. According to the study, social commerce platforms that foster a sense of community and social interaction can boost the perceived value of products and services while also increasing consumer satisfaction and loyalty.

Finally, **Lu et al. (2015)** investigated the effect of social commerce on consumer trust, loyalty, and purchase intent. According to the findings, social commerce has a positive impact on consumer trust, loyalty, and purchase intent, which is mediated by perceived usefulness and social influence. The impact of other consumers' opinions and recommendations on purchase decisions is referred to as social influence.

**Liu and Liang (2011)** conducted research on the relationship between social commerce and consumer trust. They discovered that social commerce platforms help consumers gain trust in online transactions by allowing them to interact with other customers and provide feedback on products and services. This builds trust in the platform, which leads to increased purchase intentions and loyalty.

### **Objective of the Study**

To explore the role of social commerce in consumer trust and loyalty

### **Methodology**

This study utilized a structured questionnaire to conduct a survey, and statistical methods such as mean & t-test were used to analyze the responses from 219 participants. The sampling method used in this research was convenience sampling, where individuals were selected based on their accessibility & willingness to participate.

**Table1** Role of Social Commerce in consumer trust and Loyalty

Serial No.	Statement of Survey	Mean Value	t-value	p-value
1	Social commerce can help brands build trust and loyalty by providing a seamless and convenient shopping experience.	4.06	7.208	0.000
2	Social commerce platforms offer opportunities for customer feedback.	4.31	9.806	0.000
3	Social commerce platforms enable brands to engage with customers in real time, providing them with instant support.	4.34	9.917	0.000
4	Social commerce can help build trust and loyalty by providing customers with a sense of community and belonging.	4.23	7.361	0.000
5	Social commerce may help build trust and loyalty by providing customers with a sense of transparency and authenticity.	3.93	4.550	0.000
6	Social commerce plays a vital role in building consumer trust and loyalty.	4.47	11.576	0.000

7	Social commerce platforms create an environment where customers can make informed purchase decisions and build trust in a brand.	4.45	11.779	0.000
8	Social commerce showcases its social responsibility initiatives, such as its commitment to sustainability and giving back to the community.	4.13	8.640	0.000
9	Social commerce may provide a platform for customers to interact with brands and other consumers.	3.87	4.829	0.000
10	Social commerce can enhance customer loyalty by providing personalized and targeted product recommendations.	4.38	11.558	0.000

Table1 demonstrates the mean values for each of the statement of the study done on the “role of social commerce in consumer trust and loyalty”, examining the average scores, the statement that obtains the highest mean score can be described as “Social commerce plays a vital role in building consumer trust and loyalty”, which has the mean score of 4.47, Looking at the next statement which is “Social commerce platforms create an environment where customers can make informed purchase decisions and build trust in a brand” the mean score is found to be 4.45. Looking at the mean value of 4.38 for the statement “Social commerce can enhance customer loyalty by providing personalized and targeted product recommendations” shows that customer loyalty is also responsible for social commerce. Looking at the other benefit of social commerce is, “Social commerce platforms enable brands to engage with customers in real time, providing them with instant support” which displays the mean score of 4.34, and the statement “Social commerce platforms offer opportunities for customer feedback” showcase the mean value of 4.31. Then the statement “Social commerce can help build trust and loyalty by providing customers with a sense of community and belonging” obtains mean value of 4.23 and the statement “Social commerce showcases its social responsibility initiatives, such as its commitment to sustainability and giving back to the community” has 4.13. The statement “Social commerce can help brands build trust and loyalty by providing a seamless and convenient shopping experience” showcase the mean value of 4.06. Therefore, the last two statements fall within the lowest category or level, “Social commerce may help build trust and loyalty by providing customers with a sense of transparency and authenticity” mean value of 3.93, the statement “Social commerce may provide a platform for customers to interact with brands and other consumers” has 3.87. The significance of the t-value for each statement in the investigation on the role of social commerce in consumer trust and loyalty is significant. The t-value statements were positive, and their significance value was less than 0.05, indicating a significant relationship between the two variables.

### Conclusion:

Social commerce has emerged as a potent tool for increasing consumer trust and loyalty. Businesses can engage with their target audience on a more personal level by leveraging the power of social media, creating a sense of community, and fostering a trusting relationship. Furthermore, social commerce platforms provide a variety of features that allow businesses to showcase their products and services, receive customer feedback, and conduct transactions in an efficient manner. Social commerce's transparency and authenticity can help to alleviate concerns about the trustworthiness of online businesses, especially for those who are new to e-commerce. Moreover, social commerce can help businesses build brand loyalty by giving their customers a sense of exclusivity and personalization. Businesses can reward their most loyal customers and incentivize them to continue engaging with the brand by offering special deals, discounts, and promotions exclusive to their social media followers. To summarize, social commerce has become an essential component of modern marketing, and businesses that effectively use this powerful tool can develop long-term relationships of trust and loyalty with their customers.

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