

# The Power Of Social Media: How Trust Impacts Online Buying Decisions In The Digital Era

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## ABSTRACT

This research aims to investigate the impact of social media marketing affects Purchase Intention, taking into account e-trust as a mediating factor. The data was collected from 200 participants using purposive sampling and a quantitative approach during the research. The data was analyzed using Structural Equation Modeling (SEM), which was collected through questionnaires. The SEM analysis results indicate that social media marketing (X) influences e-trust (Z) and purchase intention (Y). The impact of e-trust (Z) on purchase intention (Y) is evident, and the analysis using structural equation modeling (SEM) shows that the results suggest that the indirect influence through e-trust (Z) is more significant than the direct influence on the purchase intention variable (Y). Consequently, the e-trust (Z) variable could potentially serve as a mediator for the impact of Social Media Marketing (X) on purchase intention (Y)

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## INTRODUCTION

The digital age is characterised by the expansion of the digital world and the Internet into various aspects of people's lives, with characteristics of creativity and entrepreneurship, efficiency and speed of communication that cannot be separated from the advances in information technology, and has given rise to various types of businesses, including e-commerce, which is the prima donna of the shopping lifestyle of modern society today. The Internet is very useful for various aspects of life such as education, commerce, business and government. In the field of education, recently many companies or providers of goods and services prefer the Internet medium to market their products. They feel greatly helped by the presence of the Internet. There is no longer any reason for market restrictions or costs. Doing business through the Internet is very effective and cheap. Anyone, even people without a job, can do business over the Internet.

The development of internet-based technologies inherently influences social media development. Social media refers to internet content that facilitates social communication. Social media integrates web-based technology to facilitate interactive discourse through

communication. Wikis, YouTube, blogs, and social networks are some examples. Social media can affect customer behaviour and has emerged as the preferred form of communication globally (Semuel, 2018).

Social media is more flexible, more expansive, faster, more interactive, a wider range, and more effective and efficient. Social media's impact has become increasingly significant in people's lives. According to Woods, S. (n.d.), social media can be used for a range of things during its evolution, from establishing friends to promoting and marketing specific products or services. It may additionally be utilised to campaign for initiatives (education, social, religious, environmental, health, and others).

Nowadays, social media marketing is a popular phenomena in Indonesia that needs to concern business owners, according to statistics from the 2018 BPS (Central Statistics Agency) census. Over the past ten years, there has been a 17% growth in the e-commerce sector, with a total of 26.2 million enterprises (Wartaekonomi.co.id, 2019). E-commerce contributed to the growth of many enterprises in Indonesia. However, in order to be sustainable, service providers must be able to meet customer needs while competing with strong competition.

Previous study has focused on social media platforms like Facebook, Instagram, and LinkedIn, despite the fact that social media is far wider than these. Rudyanto (2018) applies the utility satisfaction theory to argue for the influence of social media networks, while Rostianto et al. (2019) found that customer reviews on social media influence purchase decisions, and Prakoso & Marlana (2020) found that tourists' decisions to visit Sidoarjo mud tourism objects are influenced by social media on Instagram.

The rise of social media is expected to be taken into account by consumers, because there is true information and not a little hoax information. Consumer trust is one of the main factors to improve market competitiveness and sustainable advantage because it is relatively more affordable to keep customers than to acquire new ones (Choi & Mai, 2018). Online consumer trust can be seen from reviews written on a brand's social media, which then makes it easy for other customers to evaluate the product needed. Thus, it can be referred to as a customer reference for customer trust in a product that is offered online. According to Kanitra (2018), information provided by other consumers can be used as an answer to curiosity and doubts about the products offered through online buying and selling sites.

It is important for e-commerce companies to manage a loyal customer database as long-term customer relationships will not only be a significant contributor to profits but also have a high potential to boost sales volume in the future (Prisanti, et al., 2017). The explanation above is the basis for choosing social media marketing to influence intense online product purchases, both directly and indirectly mediated by e-trust.

## METHODS

### Research Approach

The goal of this study is to establish a link between multiple variables using quantitative research methods. The goal is to formulate a theory that can be employed to explain, predict, and control a particular phenomenon. (Russiadi, 2014).

## Population and Sample/Types and Sources of Data

### 1. Population

The researcher identifies specific qualities and characteristics of objects or subjects for study and subsequent conclusions in the area of interest, known as the population (Sugiyono in Russiadi, 2014). The entire population of Malang comprises the subjects for this study.

### 2. Sample

The sample represents the population studied, as the population size is unknown and non-probability sampling was employed using purposive sampling technique. A total of 200 people were chosen as respondents, meeting the following criteria:

- a. Respondents own a mobile phone
- b. Respondents have social media
- c. Respondents have made at least one purchase via social media

## Data Analysis Technique

### SEM (Structural Equation Modeling)

Structural Equation Model (SEM) is a statistical field used to simultaneously test complex relationships that are difficult to measure. It combines factor analysis and regression analysis to assess the connections between variables, both within indicators and their constructs, or between constructs.

Partial Least Square (PLS) is a variant of SEM that is based on components. Unlike the covariance-based SEM approach, PLS focuses on predictive models rather than causality or theory testing. The use of structural equation models in both SEM and PLS differs, particularly in testing or developing theories for making predictions. Suggestions for utilizing SEM – PLS:

- a. When evaluating a theoretical framework for its predictive potential.
- b. If the structural model is complex and includes many constructs, indicators, and/or relationship models.
- c. Exploring theoretical extensions of current theories is the approach to understanding growing complexity.
- d. If the path model includes one or more constructs that are formatively measured.
- e. If the research includes financial ratios or comparable data.

Purchase behaviour is influenced by consumer trust in e-commerce platforms, according to Truong et al. (2021). Customer trust can be influenced by the seller's reputation; privacy protection and the quality of information a seller offers are also fundamental components of consumer trust (M. Liu et al., 2023). Furthermore, The influence of social media is substantial in shaping customer reactions during the buying process. A GlobalWebIndex study found that 37% of customers use social media platforms to research new items, making social media the main areas online source for discovering products (Woods, n.d.).

Some of these studies are the reason for developing The hypotheses presented in this study are as follows:

- H1 Social Media Marketing affects e-Trust
- H2 Social Media Marketing affects Intense to buy
- H3 E-Trust affects Intense to buy

H4 Social Media Marketing affects intense to buy through e-trust

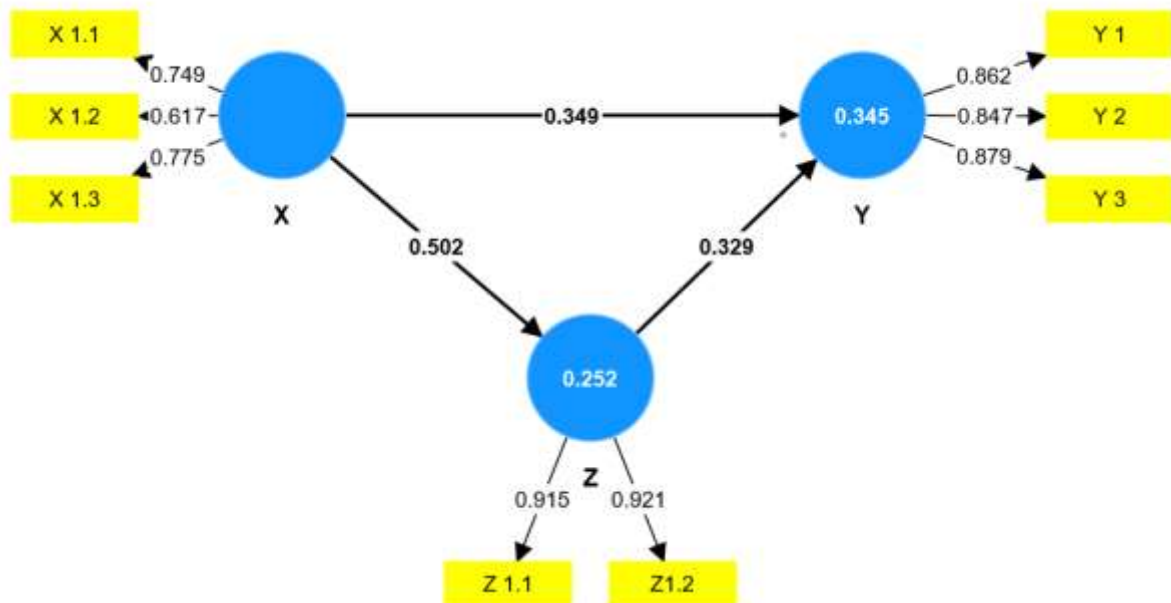
**Table 1.** Research Instrument

No.	Variable	Indicator
1	Social media marketing (X) Laksamana, Patria (2018)	a. Entertainment b. Interaction c. Electronic word of mouth
2	e-Trust (Z) Valentina, RR Ayu Novia (2020)	a. Integrity b. Consistency
3	Purchase intention (Y) Laksamana, Patria (2018), Pertiwi (2020)	a. Trust in social media b. Intent to buy products using social media c. Intent to buy based on trust

\*Source: Processed data, 2024

## RESULTS AND DISCUSSION

### Result



**Figure 1.** Structural Model of Latent Variables

\*Source: Processed data, 2024

The hypothesis establishes a connection between Social Media Marketing (X) and Intense to buy (Y) mediated by e-trust (Z). The study's analysis results indicate significant impact. Supporting the acceptance of hypothesis 1, 2, 3, and 4 as having an impact. When testing hypotheses, the SEM results of the test could be used as a guide. In a hypothesis test, a positive standardized total effect value indicates a positive connection between the variables; Oppositely, a negative standardized total effect value suggests a negative affect. A significant

association between the study's variables is indicated by a t-value >1.96; if the value <1.96, the variable has no significant affect.

**Table 2.** Direct effect

	Original Sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistics	P-values
X → Y	0.349	0.362	0.099	3.535	0.000
X → Z	0.502	0.511	0.098	5.099	0.000
Z → Y	0.329	0.319	0.115	2.871	0.004

\*Source: Processed data, 2024

H1= 0,502 This indicates that e-trust is positively influenced by social media marketing. This finding indicates that e-trust in online shopping increases with the influence of social media marketing. In fundamental terms, the findings indicate that interaction is the best predictor of social media marketing variables on e-trust in online product purchases.

Social media is controlled by followers, therefore interaction can be realized, where distance no longer becomes far, with mutual interaction to meet the needs of followers. It can be said that there is a process of spreading messages, so that the messages that have been shared by companies on social media can grow and develop in the end. At another level, the domino effect is experienced by all social media users. This communication pattern on social media is a transfer process from the development pattern of groups, communities or groups in the real world to the virtual world. The method used by social media can even touch various layers of society who act as followers. Therefore, the concept of electronic trust (e-trust) among users of social media is increased. Pertiwi's (2022) claim that social media increases online consumer trust is supported by this evidence. Furthermore, it was suggested by Afrianto & Irwansyah (2021) that social media marketing greatly increases customer trust. The first hypothesis—that social media marketing has a significant effect on e-trust in online product purchases—is supported by these data. Thus, Hypothesis 1 is accepted

H2 = 0,349 This indicates that the preferences to buy things online has been positively influenced by social media marketing. These findings suggest that the stronger the impact of social media marketing, the higher willingness to make online purchases.. Essentially, the results showed that the strongest indicator supporting social media marketing variables on intense to buy in buying products online is value

For the development of communication, social media makes it possible to increase the value of the perpetrators, using the principle of building relationships between companies and followers or fans. The value intended here is how, after the relationship between the two parties of social media actors is realised, there is a positive impact that not only affects one party, but also penetrates a wider scope. The targeting power of social media towards the branding of companies and brands through entertainment is even able to reduce the advertising costs that usually must be done by companies conventionally. Social media will create a pattern of communication that promises more intense interaction. In social media, public followers or fans are free to express whatever they want. These findings support a study by Pertiwi (2022) that found social media positively influences customers who are

motivated to make online purchases. This suggests that hypothesis 2 is supported since the data validate the second hypothesis, which argues that social media marketing significantly influences consumers' driven motivation to buy online products. Thus, Hypothesis 2 is accepted

H3 = 0,329 Therefore, the motivation to make an online transaction is positively impacted by e-trust. This finding indicates that consumers are more motivated to make online purchases the more social media marketing influences them. Essentially, the results show that the strongest indicator supporting the e-trust variable on intense to buy in buying products online is promise fulfilment. If online sellers maintain their integrity, competence and consistency, buyers will trust the online seller.

Trust is very important in business, especially in online business, where transactions take place entirely online and buyers and sellers do not know each other, not to mention that the products purchased do not necessarily match the information in the picture. So, the fulfilment of promises from online sellers to consumers is very important, where when consumers have confidence in an e-commerce or online shopping, It is also known as e-trust, or electronic consumer trust. These results support the findings of Pertiwi's 2022 study, which found that trust increases the tendency to make online purchases. Additionally, Nusarika and Purnami (2015) believe that trust and purchasing intention are positively correlated.

These results are consistent with the third hypothesis where e-trust has a significant effect on intense to buy when purchasing products online, so this indicates that hypothesis 3 is accepted.

**Table 3.** Indirect Effect

Specific Indirect Effects	
X → Z → Y	0.165

\*Source: Processed data, 2024

Positive results were found when social media marketing's impact on consumers' intent to buy online products through e-trust was tested. These findings show that e-trust can indirectly mediate the relationship between relating social media marketing, positive e-WOM, and good engagement, thus increasing people's willingness to make online purchases. This is made possible by the integrity and consistency of social media. This finding is consistent with Erika's (2022) theory, according to which consumer trust influences purchase intention in social media marketing. These findings support the fourth hypothesis, which argues that social media marketing influences intense purchasing behaviour through e-trust. As a result, hypothesis 4 is accepted.

### Discussion

In the digital era, social media marketing plays an important role in developing customer trust online, which is necessary to stimulate purchase intent. The integration of social media into marketing strategies has changed consumers' interactions with brands, increasing trust and loyalty. Research shows by Erika, (2022) social media marketing significantly influences purchase intentions, especially when mediated by consumer trust. Trust is defined as "in the

broadest sense, is the belief that a person has in favourable expectations about what another person will do, based in most cases on previous interactions' D.Gefen (2000). Previous literature identifies trust as mediating electronic system transactions H. H. Alshibly (2015), P. A. Pavlou and L. Chai (2002).

Research conducted by M. Hajli (2013) suggests that trust significantly affects purchase intention in online communities. Furthermore, this study also examines the mediating effect of trust between the relationship between social media marketing and intent to buy. Thus, this research shows that social media marketing is a significant force in the marketing landscape (Siriwardana, 2022), so some things that marketers need to pay attention to are increasing user trust in social media marketing strategies and retaining existing customers and attracting new customers through trust management (Vikas, 2015).

## CONCLUSION

After reviewing the findings of the study and taking into the prior discussion, The following findings were reached: Social media marketing (X) impacts on e-trust (Z). The intensity of purchasing (Y) is affected by social media marketing (X). E-trust (Z) influences the intensity of purchasing (Y). Through SEM analysis, it was found that e-trust (Z) can indirectly mediate the connection between social media marketing, positive e-WOM, and good engagement, thus increasing people's inclination to make online purchases. This is facilitated by the reliability and coherence of social media. Based on these conclusions, the following recommendations can be made: Enhancing user trust should be the primary focus for marketers in their social media marketing strategies. They should also concentrate on retaining existing customers and attracting new customers through trust management. Social media marketing plays a critical role in building customer trust online in the era of digital transformation, which is essential for stimulating purchase intent. The integration of social media into marketing strategies has transformed consumers' interactions with brands, strengthening trust and loyalty. It is hoped that future researchers will explore additional variables beyond those discussed here to obtain more diverse results that can elucidate the factors influencing the intensity of purchasing.

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