CHAPTER 6 : CONCLUSION AND FUTURE SCOPE OF RESEARCH

This chapter relates the research findings with the objectives of the studies undertaken in this thesis. The first section describes briefly the study and research design. This is followed by a review of the research questions and brief discussion about the findings. Then, the managerial implications of the findings are described in detail, followed by discussion about the academic contribution of this study. The chapter concludes with identifying limitations of the study and pointing to scope for future research.

6.1 Brief of Study and Research Design

The main purpose of this study was to identify the antecedents and outcomes of trust in the context of Online Social Media Marketing. This was done systematically at different phases and examined empirically with suitable tools and techniques.

Initially a review of literature on trust, specifically in the online context, was carried out. This led to the identification of gaps in existing literature. This stage also helped in understanding some established frameworks from different disciplines of study, which later on made the basis for the conceptual model proposed in the thesis.

The research has been majorly designed in three phases. In the first phase a brief exploratory interview involving 18 participants was conducted. This study provided the base for further exploration by facilitating identification of construct variables to be considered. Moreover, the findings were mostly supported by theoretical frameworks provided by earlier research works. Thus, antecedents of trust in the context of OSMM were studied from three major perspectives: (i) trust in one's contacts and friends in OSMs, (ii) trust in the organization (online store) utilising OSMM, (iii) trust in the institution, i.e., the OSM which provides the technology for undertaking OSMM. All the hypotheses related to these relations were checked with disposition to trust, among other three personal characteristics, as control variables, in order to investigate the effect of one's trust propensity on the relations.

In the second part of the study, each set of antecedents was assessed for its role in formation of different types of trust. Online survey was conducted among students of various prominent technical institutes of India, since students in the age group considered for the survey constituted major participants of OSM and are among the most valued target consumers of various online stores. Partial Least Square based path modelling was used for this analysis

because of various qualities of the data set. Finally, all the sets of antecedents of trust were combined to form a comprehensive model of trust in the context of OSMM. This model goes on to show the relative importance of various sets of antecedents. Besides this, the comprehensive model also shows the significance of total effects of all the antecedents of different kinds of trust on their final outcome, i.e., formation of attitude towards an online store, formation of intention to purchase from the store as well as formation of intention to pass-along electronic word of mouth about the store. A parsimonious hierarchical component model was also developed for clarity of understanding and exhibiting the final outcome of the research.

A corollary study was conducted to analyse the role of usefulness of trustworthy information obtained from virtual communities in different OSMs for formation of generic attitude and intention to purchase online. This part of the research is primarily based on Technology Acceptance Model. The moderating role of reputation of virtual communities and disposition to trust were considered to understand their role in the entire process. Data used for this survey based research was collected from different campuses of BITS Pilani through an online survey and analysed with the help of Partial Least Square path modelling.

6.2 Review of Research Questions and Findings

The main objective of the research work undertaken in this thesis was to find out the antecedents and outcomes of trust in the context of online social media marketing.by following existing literature on trust, especially in the online environment. The antecedents of trust were grouped in three categories, i.e., interpersonal trust in individuals, interpersonal trust in organizations and institutional trust. Since the formation and strength of these different types of trust can depend on individual characteristics, hence disposition to trust was used as a control variable.

All three sets of antecedents of trust were found to be significant (Figure 6.1), with varying strength. Relational characteristics considered in the research could explain 55.70% of variance of interpersonal individual trust, whereas the design characteristics were able to explain 40.30% of institutional trust. Store characteristics alone accounted for 15.50% of variance related to interpersonal organizational trust. However, together with interpersonal individual trust and institutional trust, 32.40% of variance could be explained.

Three outcomes of trust were considered to be of vital importance, directly emanating as a result of trust: (i) attitude towards the organization undertaking social media marketing, (ii) intention to pass along electronic word of mouth and (iii) intention to purchase. The empirical investigation, however, revealed that intention to purchase is not a direct output of trust. Rather it is moderated by attitude towards the store. Even interpersonal individual trust cannot directly lead to formation of attitude. It influences interpersonal organizational trust, which in turn leads to attitude formation. On the other hand, intention to pass-along e-WOM is formed directly as a result of trust in the individuals on online social media or trust in the organizations undertaking social media marketing.
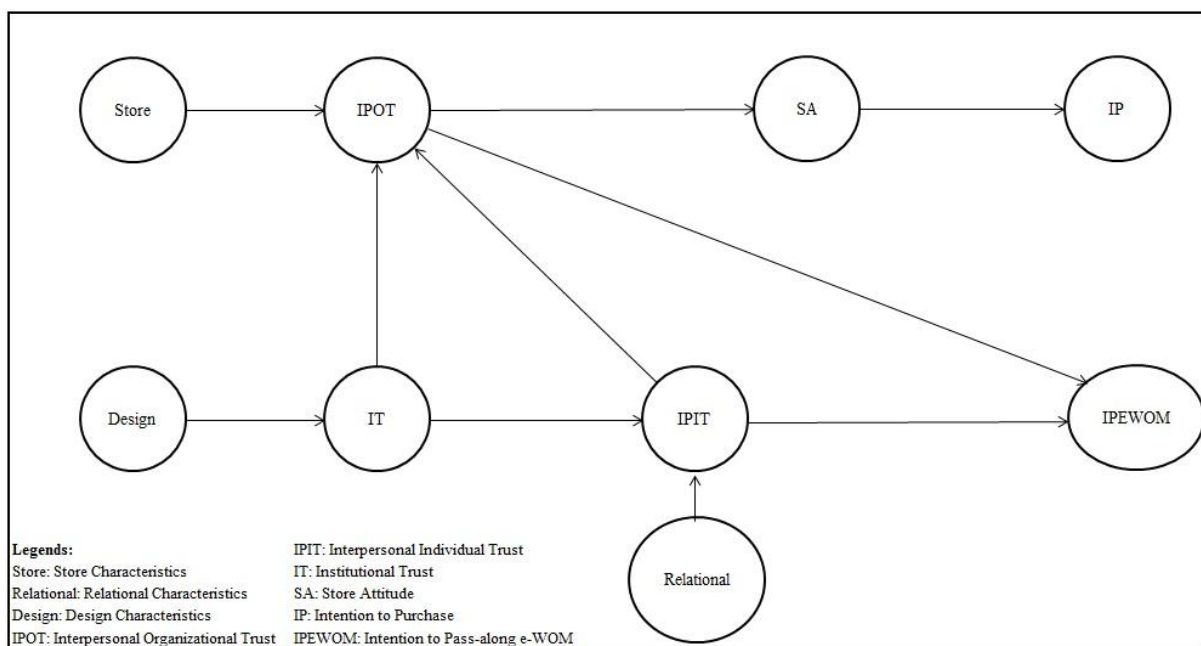

Figure 6.1: Model depicting significant relationships (Primary study)

Different types of trust together could explain around 16.70% of intention to purchase and 26.50% of intention to pass along e-WOM. But they accounted for only 7.50% of variance related to attitude towards an online organization undertaking social media marketing. This clearly goes on to show that attitude formation is a complex process, which cannot be explained to a large extent by trust alone. Although most of these coefficient of determination (R^2 values) lie in the range of 20%-40%, it should be kept in mind that R^2 values of even 20% is considered significant in research related to consumer behaviour.

Two important observations are worth mentioning, which came out as a part of the group-wise analysis. It was found that people, who perceive high risk involved in online purchase, form low interpersonal organizational trust with them. The second observation is that, although attitude formation is important for positive intention to purchase, it is stronger in

females than in males. This finding is supported by earlier studies that gender may significantly influence behavior related to purchase intention, shopping and technology, as well as attitude (Samuel et al., 2015; Venkatesh & Morris, 2000; Zeithaml, 1985). During online shopping, women probably perceive significantly higher likelihood of negative outcomes than men and also anticipate more severe consequences from negative events (Garbarino & Strahilevitz, 2004). Thus, they form intention to purchase through a stronger evaluation of attitude towards the online store.

A novel finding of the corollary study is that trust can directly lead to formation of intention to generic purchase online. Thus, although the primary study demonstrates that trust does not directly lead to formation of intention to purchase from an online store participating in OSMM, the corollary study shows that OSMM has the potential to induce consumers to purchase from online, which may not be specifically from the OSM site itself. This proves the importance of OSM as a supporting marketing tool, albeit an indirect one.

6.3 Managerial Implications

Since various OSMs, including Facebook, Google Plus, Twitter and Pinterest are in different phases of launching direct purchase facility from within the OSM platform, stores need to focus more on being perceived as trustworthy and increase consumer's favorable attitude towards it in order to increase sales. Lack of trust in online stores is one of the key obstacles to online transactions. Therefore, successful e-business operation requires a deep understanding of how trust is developed and how it affects purchase intention in online stores.

Findings of this study clearly indicate that in the age of OSMM, the size of the store is of least importance while making a purchase decision. Consumers are more worried about the risk involved in transactions. This leads to similar suggestion from Bharadhwaj et al. (Sivakumaran, Simmons, & Maheswarappa, 2014) that organizations participating in OSMM activities should strive to lessen the risks customers perceive when shopping online, as perceived risk mitigates trust. For example, online retailers can explore possibilities of having partnerships with banks for quicker redress in case of failed transactions (Khare, Khare, Mukherjee, & Goyal, 2016) and highlight these enhanced facilities through their OSMM communications to enhance trust. Once online stores successfully assure its prospective consumers of various security measures available to them to minimize risk, consumers have better chance of trusting the store and may easily be influenced to make a purchase decision

when needed. They should also try to educate consumers about secure online purchase and showcase their achievement in ensuring digital safety. Displaying security certificates or seals can help in increasing perception of safe online transaction.

Online Stores also need to create more awareness about their presence through proper messages to bring their stores at the top of mind of the consumers. They should select right brands, which are representative of their own quality, to be sold through their stores. Stores need to focus more on maintaining good reputation online. This can be done by providing quick response to consumer queries, maintaining a dedicated and loyal customer group and highlighting fast complaint resolution.

The second set of analysis reveals that people trust those social media sites more where others are willing to share resources or work as a team. Although this may seem very fundamental, it becomes vital in case of online communities, since in many of these communities there is a lack of discussion among members. This reluctance of members to take part in discussions indicates their unwillingness to spend time to help others. Organizations, therefore, should try to devise strategies to initiate discussion among members of their social networks. Online social media sites where the members trust each other, and are friendly and warm generally influence trust of individual members too. Thus, it can be said that the trusting nature of the network leaves its essence in individual members also. People who think alike have also been found to influence higher trust in one another.

A more in-depth analysis reveals that people trust their networks as well as the online stores, based on the recommendation of the community members, when they feel being a part of a large community. They are generally eager to know what others, who may be dissimilar from them, think about certain things. These perceptions make people believe that they are aware of the bigger scenario and have access to more social capital, which might not be the case had they not been part of the network. This feeling plays a vital role in increasing their trust. Not surprisingly, in spite of their eagerness to know about the perception of others, people trust those most who think and believe like them and this becomes evident from their influence on trust in certain online stores.

Although online social media marketing evolved to benefit from the open discussion among the participants of online social networks, many organizations delete negative feedback, reviews and complaints. Some of them even go to the extent of restricting user posts altogether. This hampers the process of trust formation through these social networks and

goes against the basic assumption of online community building. The research work undertaken in this thesis emphasizes that while using the net for persuasion is appropriate, its interactive power should also be leveraged (Fernando et al., 2014).

This study is of practical importance to the marketers. Many organizations engage in online social media marketing and create virtual communities to make consumers aware of their offerings. These communities become a free space for promotional purposes. However, consumers take a back seat and companies lose touch with them. Hence, a wonderful opportunity to network with the consumers is foregone. Thus, on one hand, the organizations fail to know their consumers better by using these networks, and on the other hand, consumers do not form any better attitude and trust towards these organizations. This may indirectly result in less probability for spreading e-WOM about it and finally hurt the sales and profitability.

The third set of study is specifically important while choosing the appropriate social media platform for marketing purposes. Some companies have themselves attempted to create their own social media. This study provides those companies with some vital information and guidelines. It is found that ease in navigation process is the most influential in garnering trust. This feature helps consumers to gather the required information fast with less effort. Consumers prefer online stores that effectively utilize this feature. Moreover, consumers can easily pass along required information once they get hold of it in OSMs.

Consumers' concern for privacy is also captured during the empirical investigation. Online stores, which assure consumers of their privacy, may reap better results by being perceived as more trustworthy. This also implies that consumers may not be averse to spreading e-WOM, but they would prefer their online identity to be protected in case of any possible backlash by other members. Increased instances of cyber bullying may be the reason behind this kind of attitude, whereby they would like to separate their online identity from their real self.

It is noteworthy that perceived security was not found significant in establishing institutional trust. This may be because of the fact that direct purchase from OSMs is still not available in most parts of the world. Thus, consumers perhaps could not relate the significance of security for trust in OSMM context.

Managers should ensure that their social media efforts are effective through a fair amount of control over the rules and framework for brand participation in social media (Hoffman &

Fodor, 2010b). Although the content of consumers' interactions is largely out of marketer's control, setting up the framework to facilitate that interaction is largely in their hand.

The corollary investigation indicates that companies should ensure spreading of positive word-of-mouth through OSM sites with the help of people in virtual communities which are perceived to be more trustworthy to the target population. Perceived usefulness of recommendations has been found to be influential in formation of positive attitude towards online shopping. Marketers should ensure that information about their offerings is available online, as most of the users actually look for easily available information before making any purchase. Aggregated recommendations may be communicated to the consumers to maintain and increase their interest level. Lack of availability of information may adversely affect attitude formation process and hinder intention to purchase. Integration of recommendations found in various OSM sites with the product page of the e-commerce website may also be fruitful in converting more prospects to actual customers.

Formation and operation of highly reputed virtual communities is easier than identifying consumers with higher disposition to trust. It is more so as companies do not have control on the customer's disposition to trust. Hence, companies may devise other methods to identify this segment of consumers. Games on OSM sites, quizzes and intelligently driven discussions within the community may be of great help for this purpose.

A brief comparison of the important attributes of online social media, as identified in this thesis will probably be of some interest to the marketers. It is to be noted that all organisms, including humans, face the fundamental challenge of the need to interact effectively with the environment to maximize the prospects of surviving and minimizing the prospect of encountering situations leading to harm (O'Doherty, Cockburn, & Pauli, 2017). On the other hand, trust can make oneself vulnerable to the action of others. However, when trust is founded on some perceived factors, the vulnerability lessens to some extent. Online social media provide such avenues to consumers to facilitate various behavioural decisions as they undertake their journey in the online world. Although it is sometimes a little different than their behaviour in the physical world, in most of the cases the online world replicates the physical world through different cues and clues.

Physical infrastructure (e.g. size of a shop, availability of variety of products etc.) generally gives rise to trust in the physical world. This thesis could not find such relations, probably owing to the fact that either online retailers are not providing enough cues through their

social media marketing effort or people are not able to pick up the subtle cues in the online world. Risk is one of the important considerations in both online as well as physical world. However, the ways to mitigate risk may be different. For example, in the physical world, retailers may attempt to mitigate risks by easy return policy at a scheduled time of the day. They may inform the customers about this return policy through prominently visible notice in the shop or by printing this information in the bill. In the age of online social media marketing, retailers may periodically undertake campaigns to inform the customers of any process undertaken to minimize risks in transactions. They may also use certifications or logos from third parties assuring customers about their honest effort to minimize different kinds of risks.

The present business environment affected by social media is often termed as reputation economy. Although reputation has always been vital for success in business, probably its importance is much more highlighted in the current world. Reputation can be considered as the protecting shield for small businesses in their fight against their bigger rivals in the world of online social media marketing. Online social media can make or break the reputation of organizations very fast because of its viral nature of spreading of information (Dutta & Bhat, 2013).

Creation and maintenance of trustworthy virtual communities, which share their advice, time and camaraderie is more difficult compared to traditional technique of advertising to favourably influence customers. Online social media marketing has not only levelled the playing ground for small and big organizations alike, it has also created space for "micro celebrities" or influencers, who are highly influential in their own social circle extending over the ever expanding online space. However, identifying and working with these celebrities pose different sets of challenges. Maintaining a proper balance of privacy, rules and guidelines, while ensuring a real-world feeling in the online social media sites is difficult indeed.

Thus social media marketers are faced with the challenge of replicating the real world in the virtual space of various online social media sites. Some of these challenges may be addressed by simple replication of the real world, while some need more innovative approach.

6.4 Academic Implications

The research work aims to build a theoretical framework relevant to trust in the context of online social media marketing through a bottom-up approach. This study considers trust from various perspectives and examines the effect of all of them together, unlike most of the previous studies, which considered only a few of the antecedents of trust. Thus, it builds an empirically verified comprehensive model. The predictive relevance of this study is considerable in most of the instances.

The mediation analysis found that the paths from both Interpersonal Organizational Trust and Interpersonal Individual Trust to Intention to Purchase were fully mediated by Store Attitude. This is in sync with the Commitment-Relationship Theory (Morgan & Hunt, 1994). Purchasing involves a lot of comparative consideration regarding the various types of cost and value before arriving at the final decision. Thus, trust alone does not suffice to motivate consumers to purchase online from a specific store. However, as shown in the corollary study, trust in the virtual community may influence them to form a positive intention to purchase online.

On the other hand, Store Attitude has no mediating role in the path from Interpersonal Organizational Trust to Intention to Pass-along e-WOM. It plays a partial complementary mediating role in the path between Interpersonal Individual Trust and Intention to Pass-along e-WOM. This can be explained with the help of Elaboration Likelihood Model. Attitude formation is a long-term process and involves critical processing of information. On the contrary, sharing information over the OSM is an easy process accomplished by a few clicks of button in the computer or mobile device. Thus, consumers may share information without formation of attitude towards the store, provided they find it trustworthy.

This research gains importance as a growing number of OSM sites is trying to integrate marketing activities with their primary reason for establishing the networks. Many e-Retailers are utilizing these OSM sites for enhancing perceived social presence by supporting two way interactions between online shoppers (Karimov & Brengman, 2011) as electronic word of mouth has been found to be as important as direct personal experience (Steffes & Burgee, 2009). Consumers often actively interact with brands on their profile pages or virtual communities before making the purchase decision. Trust in their online reference groups tends to influence perceived usefulness of recommendation and purchase intention (Egea & González, 2011) in different stages of decision making process.

Researchers earlier have found that online purchase intention is positively influenced by higher consumer online trust (Ling et al., 2010) and trust in product recommendation (Hsiao et al., 2010). The corollary study too finds that perceived trustworthiness of recommender positively influences purchase intention. But it extends the earlier research works with the finding that purchase intention is affected by attitude towards online purchasing. Thus, marketers should strive to increase customer's positive attitude towards online purchasing by identifying trustworthy virtual communities for spreading awareness of their offerings.

The results of this study corroborates the findings of at least two researches (Hsu et al., 2013; Park et al., 2007), which found that perceived usefulness of recommendations is positively related to attitude towards online purchase intention. But this study enhances the earlier work by examining the moderating role of disposition to trust in the context of OSM sites. Although researchers have found that intention to shop online is significantly affected by perceived usefulness of online customer reviews (Elwalda et al., 2016), this study reveals that perceived usefulness of recommendations does not affect purchase intention directly, perhaps attesting to the fact that online transactions are complex processes.

6.5 Limitation and Future Scope of Research

Earlier studies have investigated the monetary consequences of social interactions or word-of-mouth, broadly referred to as "social value" (Libai, Muller, & Peres, 2013). Such value should no longer be limited to purchase-based consumer life-time value but also include social elements, e.g. the value of customer influence, referrals and knowledge (Kumar, Petersen, & Leone, 2010; Weinberg & Berger, 2011). The present study is a step toward that direction.

The study conducted during the thesis was based on a massive review of literature along with considerable empirical investigation. But considering the evolving nature of research on online social media marketing, there exists a lot more to learn and discover. Trust in itself is a complex phenomenon, which has ignited the minds of some of the greatest researchers over the years. Most of the researchers still found it difficult to separate trust from trustworthiness, because of statistical and conceptual limitations. The circular nature of trust, whereby its outcomes influence itself again, is of vital importance and difficult to deal with. The present research also has not delved into this part, because of the limitation of statistical techniques available and used.

Although different sets of antecedents of trust have been considered in the research, their contribution in over-all trust formation is not very high. The f^2 Effect Size found in different sets of study also reveals that the antecedents considered in the analysis have mostly medium to high effect on trust. Whether this is because of the complex nature of trust or due to inadvertent omission of some important antecedents should be investigated further.

Meyers and Tan (2002) argued that cultural background affects the behaviour of individuals. Thus, it would be prudent to test behaviours related to trust in different cultural backgrounds. The present study is based in culturally diversified India. Therefore, it probably gives an overview of the important antecedents and outcomes of trust in general. Indian people are generally more trusting in nature. But, a finer investigation can look into these issues from cross-cultural studies.

Further studies may explore the effect of the hypothesized constructs under different demographic conditions, like age, education level, previous exposure to technology etc. Effect of different content types propagated through different kinds of OSM sites (e.g., OSM sites primarily for connecting with friends, progression of career, and initiation of romantic relationship etc.) should also be examined. Studies may attempt to identify the stage of the purchase decision making process in which the recommendations of network users are the most influential.

Both the main study and the corollary study consider intention to purchase online rather than actual purchase decisions made. Obtaining actual information regarding purchase decisions is tricky and companies may not willingly share information available with them. But future research may aim to explore this actual process by simulating an experimental setup.

The result of both the primary and the corollary study should also be interpreted and accepted with caution because of some inherent characteristics of sample chosen. The sample was collected through online form, which was filled by students who themselves wished to be part of the survey. This may result in self-selection bias. Majority of the respondents were either pursuing their undergraduate degree courses or have finished undergraduate level education. Thus, care should be taken while generalizing this result for common population. But as literacy level rises throughout the world, this research may be easily generalizable at that time. Although most of the respondents in both the studies are below the age of 25, it should not be considered a major limitation, as globally this age group constitutes the majority of OSM users.

Intention to pass-along e-WOM was investigated in the study without reference to it being positive or negative. Earlier studies found that the propagation of different kinds of e-WOM has different velocity. It becomes even more important in this age dominated by various online social media. If customers spread negative messages about a company, they might seriously damage its reputation (Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013). Thus, it would be interesting to study trusting intention of people in different kinds of e-WOM, probably with more emphasis on negative word of mouth.

More research on trust will be necessary to overcome the trust-related challenges created, e.g., by the current trend towards increasingly automated, opaque and ubiquitous information systems (Sollner & Leimeister, 2013). This opens up a vast emerging area of research and will be of high importance to various organizations utilizing social media marketing in the near future.

Trust plays a vital role in the context of social media marketing. This evolving form of marketing, based on the Theory of Six Degrees of Separation (Milgram, 1967), gains popularity from the assumption that there are not more than six hops connecting any two individuals in the world. Thus, people tend to transfer trust to even unknown people or business entities on these social media sites, as they feel a sense of connectivity in the small world of internet. Trust can become so influential in social media marketing, that consumers may even bypass attitude formation before taking purchase decision (Dutta & Bhat, 2016b). This feeling of trust generated by various activities in social media marketing has facilitated many small businesses like Herschel Supply Co, Emerson Salon, The Social Man etc. taste success in a very short period.

Social media has the potential to rapidly emerge as the most successful and effective marketing platform, provided consumers feel a sense of trust on business entities using it. Hence, marketers should ways to increase trust of consumers in their social media marketing efforts for crafting a successful strategy.