The Effects of Social Media Marketing on Trust and User Satisfaction

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ABSTRACT
This study's objective is to examine the relationship between social media marketing activities, user trust, and user satisfaction. Everyone in Palopo City is a leader or stakeholder in Micro, Small, and Medium-Sized Businesses (SMEs). This study's sample was selected using a non-probability sampling technique based on the objective of the research, which was to examine Micro, Small, and Medium-Sized Enterprises (SMEs) via social media. Sample measurement took over 200 samples, with an error rate of about 5%. For hypothesis testing, this study employed a structural equation model using the Partial Least Squares (PLS-SEM) approach with the assistance of the software SmartPLS. The findings indicate a positive relationship between social media marketing activities and user satisfaction, with trust acting as a moderator. Furthermore, trust has a positive effect on user satisfaction. Practitioners and policymakers must be able to gain a better understanding of how social media can be used to support business activities. Practitioners must determine which social media platforms are of high quality, safe, simple to use, and affordable. Practitioners must also keep up to date on the advancement of digital information technology, particularly in developing countries. This study showed a more comprehensive model of social media, trust, and user satisfaction, as well as trust's mediating role.

Keywords: *Customize Social Media Marketing Activities; Trust; User Satisfaction; SMEs*

1. INTRODUCTION

The fourth industrial revolution has undeniably enabled humans to engage in a wide range of virtual interactions. The COVID-19 pandemic has demonstrated that the virtual world can connect all forms of interaction, religious, social, and economic. The advancement of information technology has played a critical role in the birth of several e-business visions, one of which is through digital platforms. The growing number of internet users has influenced the emergence of several online marketing media, one of which is social media platforms. The growth of new business models has been facilitated by social marketing as mediated by social media and social networking platforms [1]. Micro, Small, and Medium Enterprises (MSME) are critical players in the Indonesian economy. Furthermore, it promotes economic growth and job creation; MSMEs, in turn, promote the spread of development outcomes. One of the most common problems that Micro, Small, and Medium Enterprises (MSMEs) face is a lack of Human Resources (HR) for product marketing. Because Micro, Small, and Medium Enterprises have yet to adopt social media or internet networks as a marketing tool or media, it still relies on traditional word-of-mouth marketing [2].

Social media has grown in popularity as a means of communication. Social media connects the majority of people's personal lives [3], allowing anyone, at any time and from any location, to communicate and obtain information through social media. Previous research concluded that social media usage has a significant impact on business performance [4].

The results, however, differ due to changing technological, economic, social, and methodology conditions, as well as ignoring technological and economic changes in developing countries [5], [6]. For a more complete understanding of the relationship between social media, trust, and user satisfaction, the researchers in these studies [7, 8] suggested further investigation. As a result, the goal of this study is to fill in the gaps in research on the relationship between social media marketing activities, trust, and satisfaction with social media use among small and medium-sized enterprises.

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2. METHOD

This descriptive study aims to shed light on the causal relationship (cause and effect). The data was gathered through a survey using a questionnaire instrument with closed-ended questions. This study employs organizational analysis, with the population members all being leaders or owners of Micro, Small, and Medium Enterprises (MSMEs) in Palopo City. This study's population consists of MSMEs in Palopo City that have used an online marketing system (social media). According to previous research [9], not all Micro, Small, and Medium Enterprises have implemented an online-based marketing system, so researchers do not use all members of the population, but only research samples.

In addition, the sample for this study was determined using a non-probability technique, namely a method of purposive sampling. This study's sample was drawn from the sector of Micro, Small, and Medium-Sized Businesses that have utilized an online-based marketing system (e-commerce) for at least two years. Taking into account the minimum sample size for the Structural Equation Model (SEM), which was 100 samples [10] and a 5 percent error rate, the sample size was increased to 200 samples. This study utilizes primary data collected through the distribution of questionnaires to respondents, specifically the leaders or owners of Palopo City's MSME sector.

Using the Structural Equation Modeling (SEM) method with the assistance of Partial Least Squares (PLS-SEM) and SmartPLS 3 software, hypotheses were tested. Parameter estimation can be done without regard for goodness of fit [11]. The reasons for using Partial Least Squares (PLS-SEM) are as follows: I the data in this study are not all normally distributed items; (ii) our research model has not been tested in the literature, so the goal of this study is to verify the theory; and (iii) the research model belongs to the complex model category. According to [12], this method is frequently employed in marketing and management research to investigate the cause-and-effect linkages between latent components. It is an adequate technique for estimating causal relationships in empirically based theoretical models. Using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (very agree), we measured social media marketing efforts, trust, and satisfaction (strongly agree). The operational definitions and measurement indicators for study constructs are presented in Table 1.

Gender, time spent on social media, and the type of social media users are all indicators of the research sample's characteristics. According to the findings, the sample with the general trading business type (basic trading) (55.00 percent) is more likely to use social media in business activities. Furthermore, male respondents (60.00 percent) outnumber female respondents. Facebook is the most popular social media platform (35.00 percent).

Table 1 Measurement Items

Social Media Marketing Activities (SMMA)	
Adapted from [13], [14] CR=0.877; AVE=0.695	
Online interactivity	0.780
A clear social media	0.854
Trend	0.868
Trust (T)	
Adapted from [13], [14] CR=0.968; AVE=0.798	
Social media security	0.960
Social media reliability	0.900
Social media is trustworthy	0.760
This social media keeps a consistent editorial line	0.825
User Satisfaction (US)	
Adapted from [15], [16] CR=0.855; AVE=0.580	
Adequacy	0.743
Efficiency	0.667
Effectiveness	0.840
Overall satisfaction	0.784

3. RESULT AND DISCUSSION

3.1. Results

3.1.1. Measurement Model (Outer Model)

The criteria for evaluating the structural model (outer model) using SEM-PLS are I convergent validity, which is evident in the loading factor and AVE values, (ii) discriminant validity, which is evident in the AVE square root value and the correlation between latent constructs, and (iii) examine reliability, which is evident in the composite reliability value and Cronbach's alpha.

3.1.2. Assessing the Outer Model with Convergent Validity and Discriminant Validity

The principle of highly linked manifest variables is connected to convergence validity. Comparing the loading factor value to the rule of thumb (> 0.60) and then the average variance extracted (AVE) value to the rule of thumb (> 0.50) comprised the convergent validity test. The discriminant validity test was conducted by comparing the square root of AVE to the correlation between latent constructs, using the rule of thumb AVE square root > correlation between latent constructs [12].

According to the results of the convergent validity test (Table 1) for the loading factor value for each construct, namely Information Quality, which consists of three measurement indicators, each of which has a value of (SMMA1=0.780; SMMA2=0.854; and SMMA3=0.868); trust (T1=0.960; T2=0.900 and T3=0.760); and user satisfaction (US1=0.743; US2=0.667; US3=0.840; and US4 The average variance extracted (AVE) value for each construct is Social Media Marketing Activities = 0.695, Trust = 0.798, and User Satisfaction = 0.580, all of which are greater than the rule of thumb (> 0.50).

To assess discriminant validity, we used two criteria. First, we apply [17], which states that the square root of the AVE variable must be greater than its correlation with other variables. Second, we calculated the correlation's heterotrait-monotrait ratio (HTMT). HTMT, according to [18], is more sensitive to a lack of discriminant validity than other criteria. The HTMT between the two constructs must be less than 0.90 to demonstrate discriminant validity. On all of our variables, both standards support discriminant validity (Table 2).

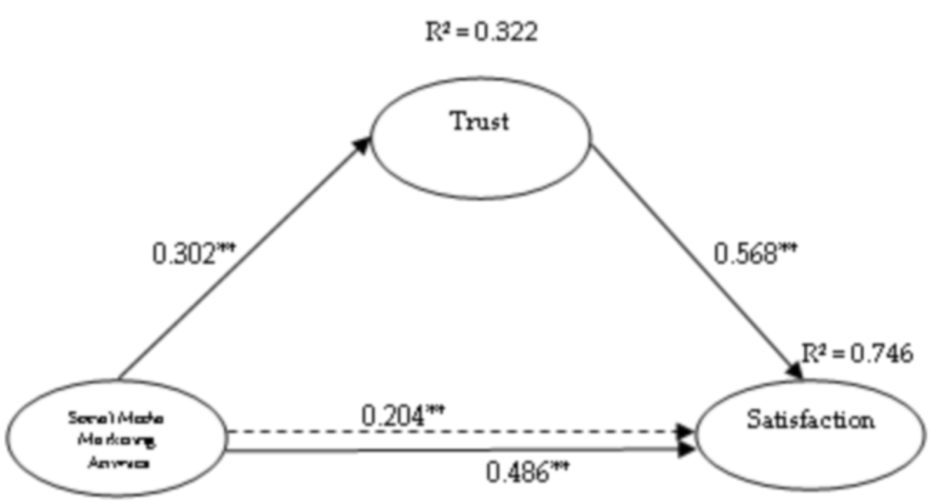
Table 2 Measurement Model

Constructs	Fornell-Larcker[3] / HTMT[3,4]		
	SMMA	T	US
SMMA	**0.834**	0.084	0.242
T	0.377	**0.874**	0.477
US	0.446	0.723	**0.774**

Note: Values on the diagonal in bold are the square root of the Average Variance Extracted (AVE) of each factor. Values below the diagonal are correlations between factors and values above the diagonal are the HTMT ratios
1 Reliability; 2 Convergent Validity; Discriminant Validity; 3 Fornell-Larcker; 4 Heterotrait-monitrait; criteria confidence interval does not include 1; $HTMT_{90}$ – [18].
SMMA = Social Media Marketing Activities. T = Trust. US = User Satisfaction.

3.1.3. Model Structural (Inner Model)

Following are the evaluation criteria for the structural model (inner model) utilizing SEM-PLS: I calculate the R-square for the dependent construct and observe a significant result using the bootstrapping method (t-value = 1.96, significance threshold = 5%). Figure 1 displays the outcomes of the bootstrapping approach used to analyze the structural model (inner model) for evaluating the hypothesis given in this study (Table 3).



Note: **Coefficients are significant at the 5 percent
Direct Effect ————
Indirect Effect - - - - - - - -
Figure 1 Measurement Inner Model

3.1.4. Evaluation of R Square and Q^2 Values

The structural or inner model is evaluated by examining the percentage of variance described, specifically the values of R Square and Q2 for the dependent latent construct. According to J. F. Hair, C. M. Ringle, and M. Sarstedt 2011, the value of the rule of thumb for R Square is 0.75, which is classified as vital; 0.50, moderate; and 0.25, weak. The rule of thumb value for Q2 > 0 indicates that the model is predictively relevant, while the rule of thumb value for Q2 0 indicates that the model is not predictively relevant. The R Square value for the trust construct is 0.322 based on the analysis results (Figure 1). The trust variability in the model that can be explained by the variables of information quality, system quality, and social media marketing activities is 32.2 percent, placing it in the weak model category. Furthermore, the R Square value for the satisfaction construct is 0.746, indicating that the variability of satisfaction explained by the variables of information quality, system quality, social media marketing activities, and trust in the model is 74.6 percent and falls into the moderate model category. The trust construct is 0.221 > 0, and the satisfaction construct is 0.640 > 0, indicating that the model has predictive relevance for the value of Q2.

3.1.5. Evaluation of significant value (t-value 1,96 dan significant level = 5%).

The significance value is determined by observing the path coefficient value from the test results using Partial Least Square (PLS) calculations with bootstrapping (Table 3). The path coefficient results show that (H1) social media marketing activities have a significant positive effect on trust, with a significance value of 0.020 at the 5% alpha level and a statistical T value of 1.982> of 1.96. For (H2), social media marketing activities have a positive and significant direct and indirect effect on user satisfaction mediated by trust, with a significant value and a statistical T value for a direct impact of 0.012 from 5% alpha level and a statistical T value of 2.903 > from 1.96, respectively. The significant value and T statistic for the indirect effect are 0.032 and 1.976, respectively, from the 5% alpha level. Furthermore, for (H3), the trust construct has a significant positive effect on user satisfaction, with a significance value of 0.008 at the 5% alpha level and a statistical T value of 3.792 > of 1.96.

Table 3 Hypothesis, path coefficients (direct, indirect, and total effect), T Statistic, and P Values

Path	Path Coefficient (β)			T Statistics		P Values		Results	
	Direct	Indirect	Total	Direct	Indirect	Direct	Indirect	Direct	Indirect
H1: Social Media Marketing Activities -> Trust	0.302	-	0.302	1.982	-	0.028**	-	-	Supported
H2: Social Media Marketing Activities -> Satisfaction	0.486	0.204	0.690	2.903	1.976	0.012**	0.032**	Supported	Supported
H3: Trust -> User Satisfaction	0.568	-	0.568	3.792	-	0.008**	-	Supported	-

Note: ** statistically significant at the 5 percent

3.2. Discussion

This study identifies the specific social media factors that influence user trust and satisfaction. It is critical to confirm the relationship between social media marketing activities (e.g., responsiveness, dependability, assurance), trust, and satisfaction. This section discusses the theoretical contributions and practical implications of our research findings, as well as the main limitations and recommendations for future research.

The following are the primary contributions made by this study. Initially, we find that social networking has a favorable effect on trust and satisfaction. It complies to Reasoned Action Theory (TRA) [19]. According to TRA [19], people examine the implications of alternative behaviors before engaging in them. According to our findings, small and medium-sized enterprises (SMEs) view social media as a valid, trustworthy, and credible source of business-related information.

Second, we find evidence that social media marketing activities enhance trust and customer happiness. According to our findings, social media marketing efforts are believed to generate robust dialogue between consumers and business owners. It demonstrates that social media marketing initiatives have been verified in terms of measuring trust and satisfaction. Social media users feel that SME productivity can be increased through social media marketing. When it comes to marketing channels, such as Facebook, WhatsApp, Twitter, and Instagram, business actors are spoiled for choice. According to prior research, such as [14], social media has a strong beneficial effect on user happiness and trust. Our findings indicate that social media marketing activities, as a type of technical growth in developing nations, might increase SME performance-related trust and satisfaction. According to [14], social media is often recognized as a viable avenue for advertising. There are substantial consequences for managers who wish to engage in social media marketing [20] when it comes to social media.

Third, we discover evidence that trust improves satisfaction. This study supports the findings of previous

research T. M. Nisar and G. Prabhakar. Interestingly, our findings suggest that trust, as a mediating construct, can generally play a positive role in describing the phenomenon of SMEs using social media to support business activities in developing countries. The first filter used to determine whether a user wishes to engage in virtual marketing activities is trust. This finding is consistent with previous research findings [21].

4. CONCLUSION

Marketing activities on social media have proven to be trustworthy in terms of providing SMEs with high-quality and diverse information, dynamic content, and up-to-date news. Furthermore, social media users have a high level of reliability, guarantee, reputation, credibility, and security, and are thought to act as a medium for business communication and interaction. Furthermore, trust is an important factor that social media users use to reduce the credibility of information, security, and privacy that are frequently found on social media. Thus, marketing activities on social media have been shown to be valid for use as online media that are interactive, clear, and have good trends as marketing media in supporting SMEs' business activities.

4.1. Practical implications

In terms of practical implications, our findings provide the following. This research study focuses on how various factors can motivate SMEs to create an environment conducive to implementing social media marketing mechanisms to improve their business performance. The findings of this study are expected to provide practitioners and policymakers with useful and meaningful information. First, practitioners must recognize that social media can help support business activities, increase productivity, and increase opportunities for SMEs to increase business income. Second, practitioners and legislators must be aware that suitable regulations exist to protect customer privacy, that secure electronic transaction services are accessible and reasonably priced, and that the nature of company data necessitates the use of a secure communication medium.

4.2. Limitations and future lines of research

This study contains numerous shortcomings. To begin with, this study was conducted in a single nation. Consequently, it cannot be applied to other nations. For additional investigation, it is advised that this research be broadened to include additional developing nations, such as Southeast Asian nations (e.g., Malaysia, Thailand, and the Philippines). Second, the R Square and Q2 values are still weak, indicating that extra research is possible. Information quality and system quality contribute to the theoretical foundation for future studies. Fourth, the number of samples utilized in this investigation is minimal. Researchers in the future should use a sample size of around 300 people. Many researchers agree that a minimum sample size of 300 is adequate.

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