

Effect of Social Media Marketing on Consumer Trust in Small Travel Online Agencies in Guwahati

Longbir Augustine kathar^{1*}, Dr. Biju Mani Das²

^{1*}Assam Don Bosco University, Sonapur, Guwahati longbiraugustine@gmail.com

²Assam Don Bosco University, Sonapur Guwahati biju.das@dbuniversity.ac.in

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ABSTRACT

Trust plays a critical role in the success of small online businesses, particularly within the e-commerce landscape. This study investigates the impact of social media marketing on consumer trust in the context of small online travel agencies. Employing a mixed-methods approach, the research combines qualitative insights from interviews with agency owners and quantitative data from consumer surveys. This approach addresses three key research questions: How does social media influence consumer trust? Does integrating social media with e-commerce enhance customer trust in small e-businesses? To what extent does social media engagement enhance customer trust in small e-businesses? Findings reveal that social media serves as a vital platform for communication and information dissemination, fostering trust by facilitating ongoing interaction between businesses and consumers. This continuous engagement strengthens customer relationships and positively influences purchasing decisions. The study contributes to a deeper understanding of social media's evolving role in building consumer trust within the online travel industry, ultimately impacting sales performance. The results underscore the transformative potential of social media marketing in addressing trust-related challenges and shaping consumer behaviour in the digital marketplace.

Keywords: Social media marketing, consumer trust, online travel agencies, e-commerce, customer relationships, small businesses.

1. Introduction

The travel and tourism industry has been recognized as one of the largest economic sectors, generating 10.4% of global GDP (Chu et al., 2020). Social media platforms have become an integral part of any national or regional tourism promotion or planning (Cañet et al., 2023). Tourists frequently use social media platforms to access information about destinations and share their experiences (Sarkar & George, 2018). However, the effects of branding on marketing variables related to social media, such as consumer brand engagement, remain largely unexplored (Schivinski et al., 2020).

This research paper aims to investigate the impact of social media marketing on consumer trust in small travel online agencies in Guwahati, Assam. It will explore how agency's image and relationship marketing through social media influence consumer trust and purchase intention in the context of the travel industry (Lin & Lu, 2010).

The tourism industry has seen a significant shift in how consumers access information and engage with travel brands. Social media has become a powerful tool for destination marketing and promotion (Sarkar & George, 2018). Understanding the role of social media in building consumer trust and purchase intention is crucial for the success of small travel agencies in Guwahati.

Social media platforms have transformed the intensity of electronic practices in the tourism and hospitality industry, with tourists using these platforms to access destination information, share their experiences, and engage with travel brands (Sarkar & George, 2018).

Furthermore, social media platforms facilitate interactions among tourists and destination suppliers, reshaping the tourism business worldwide (Ding & Syed, 2022). As social media technologies continue to evolve, it is essential to examine their impact on the tourism industry.

With the growing importance of social media in the tourism industry, it is crucial to understand how small travel agencies in Guwahati can leverage these platforms to build trust and attract customers.

This research paper will contribute to the existing literature on the role of social media in the tourism industry and provide practical insights for small travel agencies to enhance their marketing strategies.

2. Background

With the increasing use of social media platforms, tourism destinations and travel agencies have recognized the potential of social media in enhancing their marketing efforts and engaging with customers (Chu et al., 2020). Social media has become an integral part of any national or regional tourism promotion or planning, as it provides a powerful platform for word-of-mouth or viral marketing and information sharing. Social media platforms facilitate interactions among tourists and destination suppliers in the tourism context, reshaping the tourism industry worldwide (Ding & Syed, 2022).

However, there is a lack of an organizing framework for research on social media advertising in the hospitality, tourism, and small travel agency context (Chu et al., 2020). The rise of collaborative consumption models, such as Airbnb and other homestay, has further highlighted the importance of social media in the tourism industry. Airbnb has been particularly successful in leveraging social media to build brand engagement and trust with consumers.

Given the increasing reliance on social media in the tourism industry, it is crucial to understand the impact of social media marketing on consumer trust in small travel online agencies, particularly in the context of Guwahati, a rapidly growing tourist destination in Northeast India.

The present study aims to investigate the role of social media marketing in building consumer trust and relationship in small travel online agencies in Guwahati.

Problem Statement: Despite the increasing use of social media in the tourism industry, there is a lack of understanding about the impact of social media marketing on consumer trust in small travel online agencies, particularly in the context of Guwahati, a rapidly growing tourist destination in Northeast India.

Purpose of the study: The present study aims to investigate the impact of social media marketing on consumer trust in small travel online agencies in Guwahati, Assam. Understanding the role of social media in building consumer trust and purchase intention is crucial for the success of small travel agencies in Guwahati, given the growing importance of social media in the tourism industry.

Research Questions/Objectives: The objective of this research is to investigate the impact of social media marketing on consumer trust and building customer relationship in small travel online agencies in Guwahati, Assam. This research is based on these three research questions. 1. How does social media influence consumer trust? 2. Does integrating social media with e-commerce lead to an improvement or enhancement in customers' trust and build customer relationship within small e-businesses? 3. What is the extent of the enhancement of customer trust in small e-businesses resulting from social media engagement?

Significance of the Study: The study aims to provide practical insights for small travel agencies to enhance their marketing strategies and build trust with consumers through the effective use of social media platforms. The study contributes to the existing literature on the role of social media in the tourism industry and highlights the importance of understanding the impact of social media marketing on consumer trust in the context of small travel online agencies.

Scope and Limitations: The study is limited to small travel online agencies in Guwahati, Assam, and may not be generalizable to larger travel agencies or other geographic regions. The study focuses on the impact of social media marketing on consumer trust and does not address other marketing variables or the overall performance of the agencies.

2. Literature Review

Social Media Marketing: Social media has become an integral part of the marketing strategies of businesses in various industries, including tourism (Hudson & Thal, 2013). Hospitality, tourism, and travel organizations are increasingly using social media platforms, such as Facebook, Twitter, and Instagram, to engage with customers, build brand awareness, and drive sales.

Effect of Social Media on Tourism: Studies have shown that social media platforms facilitate interactions among tourists and destination suppliers, reshaping the tourism industry worldwide (Ding & Syed, 2022). Social media has also become a crucial source of information for travelers, influencing their decision-making process (Chu et al., 2020).

Importance of Social Media in Collaborative Consumption: The rise of collaborative consumption models, such as Airbnb, has highlighted the importance of social media in the tourism industry. Airbnb has been particularly successful in leveraging social media to build brand engagement and trust with consumers (Schivinski et al., 2020).

Consumer Trust in Small Travel Online Agencies: Despite the growing importance of social media in the tourism industry, there is a lack of understanding about the impact of social media marketing on consumer trust in small travel online agencies, particularly in the context of Guwahati. This study suggests that

understanding the role of social media in building consumer trust is crucial for the success of small travel agencies in Guwahati.

Small Travel Online Agencies: Small travel online agencies in Guwahati, Assam, are the focus of this study. These businesses rely heavily on e-commerce and digital marketing, including social media, to reach and engage with potential customers.

Consumer Trust: Consumer trust is a critical factor in the success of any business, particularly in the tourism industry, where consumers need to feel confident in the services they are purchasing.

(Schivinski et al., 2020) The limited research on the impact of social media on consumer trust in the context of collaborative consumption models, such as Airbnb, suggests that there is a need to explore this relationship further, particularly in the context of small online travel agencies.

Conceptual Framework: Based on the literature review, this study proposes a conceptual framework to investigate the impact of social media marketing on consumer trust in small travel online agencies in Guwahati. The framework suggests that social media marketing, including the use of various platforms, content strategy, and engagement with customers, influences the level of consumer trust in these agencies.

(Dutta & Bhat, 2016) Existing research on the impact of store characteristics and interpersonal trust on purchase intention in the context of online social media marketing provides a useful framework for understanding the relationship between social media and consumer trust. Additionally, previous studies on the influence of corporate image, relationship marketing, and trust on purchase intention offer insights into the factors that shape consumer trust in the tourism industry. The importance of trust in the development of stable relationships between service providers and customers, as highlighted in the literature, further emphasizes the need to understand the role of social media in building trust in the context of small travel online agencies.

3. Research Methodology

Research Design: This study employs a mixed research method to investigate the impact of social media marketing on consumer trust in small travel online agencies in Guwahati, Assam. In the first phase, a qualitative approach will be used to explore the perceptions and experiences of small travel online agency owners and managers regarding their social media marketing strategies and their impact on consumer trust. In the second phase a quantitative approach will be employed to measure the relationship between social media marketing and consumer trust, using a survey of consumers who have used the services of small travel online agencies in Guwahati. Both the approach will be triangulated to provide a comprehensive understanding of the research problem.

Data Collection: For the qualitative research, in-depth interviews were conducted using semi-structured questionnaire with 15 owners and managers of small travel online agencies in Guwahati. The interviews were focused on understanding their social media marketing strategies, the perceived impact on consumer trust, and the challenges they face in building trust and relationship through social media.

For the quantitative research, a structured questionnaire was used to collect data from 420 consumers who have used the services of small travel online agencies in Guwahati. The questionnaire measured constructs such as social media marketing, consumer trust, and purchase intention.

Data Analysis: The qualitative data from the interviews were analysed using thematic analysis to identify key themes and patterns. The quantitative data were analysed using partial least squares structural equation modelling to examine the relationships among the constructs.

4. Findings

Descriptive Statistics: The survey results revealed that the majority of respondents (68%) were between the ages of 25 and 44, with a roughly even split between male and female participants. Most respondents reported using social media platforms such as Facebook, Instagram, and WhatsApp on a regular basis, with an average of 2-3 hours spent on social media per day.

A survey of 420 active online consumers revealed insights into their social media engagement and its influence on their trust in small e-businesses (see Table 10). Facebook dominated platform preference, with 89% of respondents reporting its use, followed by Twitter (33%), LinkedIn (26%), Pinterest (19%), and Instagram (13%).

Over half of the respondents (65%) followed small e-businesses on social media, and 39% had followed a brand page based on a friend's recommendation. Notably, 65% acknowledged that social networks influence their online shopping experiences.

Regarding trust, 54% agreed and 30% strongly agreed that consumer trust in small e-businesses is a significant concern. A majority (64%) believed that social media use by these businesses enhances trust, and 62% agreed that it's an effective tool for building trust.

The PLS-SEM analysis showed that social media marketing had a significant positive effect on consumer trust in small travel online agencies in Guwahati. Specifically, the visual appeal and credibility of social media content, as well as the perceived popularity and engagement of the agencies' social media profiles, were found to be key drivers of consumer trust (Anuar et al., 2021)(Sanny et al., 2020). These findings are consistent with

previous research on the importance of social media influencers and user-generated content in shaping consumer perceptions and trust in the tourism industry (Martínez-Navalón et al., 2020).

The study also found that consumer trust had a strong positive impact on their intention to purchase services from the small travel online agencies (Hajli, 2014). This is in line with the existing literature on the central role of trust in developing stable relationships between service providers and customers in the tourism sector (Martínez-Navalón et al., 2020) (Anuar et al., 2021).

Results

The findings of this mixed methods study suggest that small travel online agencies in Guwahati can effectively leverage social media marketing to build consumer trust, relationship and drive purchase intention. Specifically, the agencies should focus on creating visually appealing, credible, and engaging social media content that showcases their reputation and popularity within the local tourism market.

The mixed-methods approach revealed compelling insights into the relationship between social media use and consumer trust in small e-businesses. Qualitative findings indicated that social media positively influences consumer trust. Business owners reported that integrating social media with their e-commerce operations enhanced communication and fostered consumer confidence. Online feedback mechanisms, in line with social exchange theory, facilitated service quality improvements and contributed to building lasting business relationships. However, challenges such as overcoming initial consumer distrust persist, although increased social media presence is anticipated to mitigate this over time.

Quantitative analysis of 420 online consumers revealed that 38% believe their social media shopping experiences influence their trust in e-businesses. Conversely, a larger proportion (64%) perceive social media as beneficial for building trust, with 62% viewing it as an effective tool for enhancing trust in small e-businesses.

Discussion

Both qualitative and quantitative findings underscore the transformative impact of social media on business practices. By enhancing information access, facilitating relationship building, and fostering trust through sustained communication, social media empowers both consumers and small travel e-businesses.

Theoretical Implications

Social exchange theory, which posits that human interactions revolve around resource exchanges with trust as a cornerstone, provides a valuable lens for understanding the dynamics between small businesses and consumers on social media. The findings align with this theory, demonstrating how trust and loyalty are cultivated within these online spaces, ultimately contributing to business success.

Relationship marketing, which emphasizes managing customer profiles and behaviours to deliver value, is also relevant. The study highlights how the transition to online marketing, facilitated by social media, has enhanced trust levels through sustained communication. This enables businesses and consumers to build relationships through online channels, providing relevant product information and fostering engagement.

Practical Implications

The findings suggest that consumer trust is strengthened when businesses leverage social media to showcase credibility and encourage customers to share their experiences. Promoting quality products through these platforms further solidifies trust. The extensive reach of social media empowers business owners to expand their audience significantly.

However, the presence of negative or false feedback on social media, as reported by some business owners, underscores the importance of maintaining integrity in all customer interactions to mitigate potential harm to trust. While the transition to online operations, particularly through social media, presents significant opportunities, continuous effort is required to ensure favorable outcomes.

Discussion of Findings: The results of this study contribute to the growing body of literature on the role of social media in the tourism industry. The positive relationship between social media marketing and consumer trust identified in this research corroborates previous studies on the impact of environmental sustainability messages and influencer marketing on trust and satisfaction in the tourism context (Martínez-Navalón et al., 2020) (Anuar et al., 2021).

5. Conclusion

Summary: This study examined the impact of social media marketing on consumer trust and purchase intention in the context of small travel online agencies in Guwahati, Assam. The findings suggest that social

media marketing, particularly through the creation of visually appealing, credible, and engaging content, can significantly contribute to building consumer trust and drive purchase intention (Hudson & Thal, 2013) (Cheunkamon et al., 2020) (Xiang & Gretzel, 2010) (Chung & Koo, 2015).

The results of this study have important implications for small travel online agencies in Guwahati and similar markets, as they navigate the evolving digital landscape of the tourism industry. By effectively leveraging social media marketing strategies, these agencies can foster stronger relationships with their target consumers and ultimately drive business growth (Ding & Syed, 2022).

Concluding Remarks: The tourism industry has witnessed a significant shift in the way consumers search for and engage with travel-related information. As social media continues to play an increasingly crucial role in shaping consumer behavior, it is essential for small travel online agencies to adapt their marketing strategies to capitalize on this trend. The findings of this study provide valuable insights into the strategic use of social media marketing to build consumer trust and drive purchase intention in the tourism industry.

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