

**The Impact of Social Networks on Consumer  
Trust in Small E-Businesses**

By

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## **Abstract**

The overall purpose of this study is to determine the impact of social media on customer trust in small e-businesses. In addition, this research study seeks to find answers in particular on the level of improvement or enhancement, if any, that the use of social media has on consumer trust. Trust is an essential aspect in any business regardless of its size. Trust is what drives customers to purchase vendor products and services. In this digital age, small e-businesses are selling their products online. However, the lack of trust has been a major concern and a contributing factor to small businesses' failures.

This research uses a mixed-methods research design, utilizing two different approaches both qualitative and quantitative methods used alongside of each other. The first part of our findings presents the qualitative results from the interviews with a number of small e-businesses owners, and the second part shows the quantitative results from online surveys with the consumers.

With the analysis of the two components of the study based on the results from the responses of the small e-business owners and the online consumers, we can infer that social media marketing has indeed greatly affected and changed the present small e-businesses trends. Our findings indicate that social media is at the present used as a trustworthy reference to gather information about the products and services of small e-businesses. The power of social media has also allowed customers and small e-

businesses owners to build relationships and establish trust from their constant communication.

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## **CHAPTER 1: Introduction**

E-commerce refers to the use of the Internet to trade goods and services. In the recent past, small businesses have embraced the idea of selling their products and services over the Internet [31]. Although large enterprises account for a large percentage of e-commerce investment, small businesses' shares are growing one and a half times faster because they have adequate infrastructure for e-commerce [14]. The usage of the Internet by numerous people across the globe has facilitated small e-businesses practices [7]. Today, a small business can easily establish a strong web presence, purchase and sell online. However, the issue of trust has been cropping up due to increased cases of small business fraud. In as much as Internet usage has been on the rise, people find it hard to trust the virtual business environment [11, 33].

Trust is the willingness of a person to be vulnerable to another person's action due to the expectation that the other person will perform an action [38]. Trust in e-commerce means, used in this thesis, that the potential customers believe that the seller will deliver quality products in time and that the payments over the Internet are secured and valid [25]. Trust is what drives the customer to buy commodities online. A company's reputation, web interface design, the quality of information and ease of use for potential customers to buy online through the company's website are the major factors of trust in e-commerce. Today, most small e-businesses are trying to shift their marketing energies to social network marketing and we would like to study the impact of this shift on enhancing consumer's trust [31]. Social networking platforms such as

Facebook, YouTube, MySpace and Twitter have gained acceptance over the years and approximately 85% of consumers are on these sites [41]. Merging e-commerce with social networking platforms can have certain impacts that will be revealed through this research. Merging e-commerce and social networking platforms means to use social networking platforms as a source of e-commerce activities [41].

This thesis follows the narrative of social exchange theory in research and analysis of the information gathered to determine how trust and business gains become two poles between which small businesses utilizes e-commerce to conduct their business practices. The social exchange theory, in short, states that human beings take action, naturally, which would minimize the cost and effort while maximizing gains or benefits. Although this theory can be applied in social and psychological contexts as it deals with both tangible and intangible things, it is most widely utilized to understand business practices. This theory also provides a firm base and theoretical approach for this research. Also, it would be possible to deploy it on specific conditions such as estimating how customer trust is gained in small businesses that go for e-commerce practices.

## ***1.1 Problem Statement***

The importance of customer trust in small businesses' e-commerce should not be overlooked. Trust reduces customer privacy concerns, hence allowing them to transact easily. People are more willing to provide personal information if they trust the business [8]. Personal information is useful in personalized marketing where small businesses send personalized messages to their potential customers. Trust enhances customer commitment and satisfaction, facilitates long-term inter-organization interaction and strengthens the goodwill of the business [8].

E-commerce provides an avenue for buyers and sellers to interact and also buyers can share information with each other [7]. Sellers can create interpersonal relationships with potential customers. Many vendors are now using social media to promote their products and to convey their messages to the customers [23]. Some small e-businesses that have social presence are gaining familiarity over the Internet [7]. Virtual online communities on social media give customers a chance to interact with other people and discuss sellers' credibility and trustworthiness.

Small e-businesses are likely to encounter difficulties when trying to build customer trust as customers are likely to purchase online from large businesses rather than from small ones by virtue of size. Therefore, this thesis seeks to discover if social media has an impact on customer trust in small businesses' e-commerce. This will be beneficial for small businesses, which are willing to invest in e-businesses, but are skeptical due to the unavailability of research and historical data.

## ***1.2 The Objectives***

The overall objective of this study is to discover the impact of social media on customer trust in small e-businesses. Customer trust is vital for enabling customer loyalty. Therefore, one of our objectives is to find out whether social media enhances consumer trust in e-commerce of small businesses. There is also a need of find out the intensity of customer trust that can be built as a result of using social media platforms. This will help in depicting the relationship between social media and trust in small businesses' e-commerce. Hence, identifying the level of intensity and improvement of consumer trust is another objective of this study.

## ***1.3 The Research Questions***

The following research questions will help to fulfill the research objectives stated above:

- (1) What is the impact of social media on consumer trust?
- (2) Does merging social media and e-commerce improve or enhance customers' trust in small e-businesses?
- (3) What is the level of the improvement of customer trust in small e-businesses from the social media aspect?

#### ***1.4 Contributions***

- (1) This study addresses a main concern of small e-businesses, the issue of consumer trust[31].
- (2) This research makes use of real data collected from small e-businesses owners and online consumers.
- (3) Our study found that social media has a positive impact on consumer trust and that social media marketing improves the relationship between the two parties, small e-businesses owners and consumers.
- (4) We found that the merging of social media and e-commerce enhances consumer trust in small e-businesses. This is a solution for the small e-businesses that are currently suffering from the lack of trust.
- (5) From the social media aspect, small e-businesses owners observed that social media helps in improving the service to consumers as well as improving the level of consumer trust in small online businesses.

## **CHAPTER 2: Background Information and Related Work**

This chapter provides some background information and related work on the topic. The chapter is divided into two parts: The first part, Background Information, is about e-commerce, which provides the definition of e-commerce, some relevant examples and statistical information. Basic information about trust is also discussed in this section. The second part, Related Work, describes some previous studies and discusses how they are different from the current study in this thesis.

### ***2.1 Background Information***

#### **2.1.1 E-Commerce**

E-commerce refers to commercial or business transactions that are carried out via the Internet. The market segments across which electronic commerce activities are conducted include business to consumer and consumer to business segments. The effectiveness of e-commerce is influenced by the trust that exists between businesses and their customers. Because of this, business organizations that engage in e-commerce seek to develop meaningful relationships with their customers by engaging them actively in business processes. Most small e-businesses take advantage of Web 2.0 technologies such as social media in order to develop good relationships and to build the loyalty of

their customers. Examples of e-commerce include online shopping, online banking and online payment systems.

Trends in e-commerce demonstrate that it is increasingly becoming a popular business model. For instance, more than 38% of sales within the United States and European Union are attributed to electronic commerce and the associated transactions. E-commerce is a multi-billion dollar industry, which shapes the business strategies that companies adopt in order to gain from its benefits. Forecasts in e-commerce trends reveal that it is anticipated to grow by 20% by 2017. The \$1.5 trillion that is transacted across e-commerce platforms will therefore increase significantly in the future [7]. The promising statistics of e-commerce are attributed to the ability of e-commerce businesses to win the trust of their customers. This is because customers need to be confident that the personal data that is transmitted electronically during e-commerce transactions is secure. In order to achieve this, small e-businesses need to communicate their security policies to their customers constantly and regularly.

#### ***2.1.1.1 Small E-Business/ E-Commerce***

Small e-commerce refers to small companies that engage in e-businesses transactions and business models [25]. The benefits of e-commerce, such as cost savings and convenience in business transactions attract small businesses because they allow them to achieve a higher share of the market and develop a stronger competitive advantage over their business rivals. Effective e-commerce strategies also allow small

businesses to penetrate into new market segments and, as a result, to achieve their financial objectives and goals in an effective manner [48].

### **2.1.2 Trust**

Trust refers to having confidence or reliance on a specific entity. When businesses engage in reliable and honest business processes, they easily win the trust of their customers. Implementing trustworthy business strategies and models and adhering to corporate social responsibility obligations also allow businesses to gain the trust of their customers [38]. Lack of trust on a company motivates customers to seek the services and products of rival business entities. This means that successful companies build their strategies on trust and the building of consumer loyalty.

#### ***2.1.2.1 Consumer Trust***

Consumer trust refers to the ability of customers to have confidence in the products and services of a company and its business activities [7]. Consumers develop trust in a company when they are convinced that it has the resources, capabilities and strength of implementing the required standards of business operations, such as securing data that is transmitted across e-commerce communication or transmission platforms [33]. Consumer trust is important for small businesses because it defines the ability of a company to retain its customers and maintain growth in sales and performance in the

market. Consumer trust also allows small businesses to compete favorably with large firms, which have already established themselves within the market.

### ***2.1.2.2 Customers' Trust in E-Businesses***

Trust is an important aspect in all online business platforms [27]. Customers' trust on online business is all about business-to-consumer e-commerce. The level of consumers' trust on small-scale online businesses depends on the consumers' experience with the business units. The amount of information provided by individual online businesses about themselves largely influences consumers into purchasing their products. Other factors influencing the degree of consumers' trust on online merchants include the stability and quality of the respective businesses' websites, the amount of time and space allocated for each transaction, and uncertainties and transaction risks assurances [27]. Small-scale online businesses risk losing existing and potential customers to big and established businesses when it comes to these factors.

The rapid development of e-businesses has taken studies on trust, particularly on the relationship between e-merchants and consumers, to another level. Over the years, researchers have developed a number of concepts touching on consumers' trust in the e-businesses platform. They have outlined the properties of online trust as dispositional, institutional, and interpersonal. The dispositional property of trust refers to the degree at which a consumer demonstrates the ability to be willing to depend on online vendors for their shopping needs. On the other hand, the institutional property of trust refers to the consumers' trust on the Internet framework. The Internet is the infrastructure to which

consumers must display the ability to trust. When they trust the Internet platform and its features, then trust in online shopping platforms is inevitable. The interpersonal property of trust refers to the consumers' confidence or credence in the ability and intentions of online merchants [46].

### **2.1.3 Social Networks**

Not only the development of the social networks has aided communication through sharing in the social interceptions but it also has provided benefits to businesses and customers. The matter of interest is that there is a wide range of social networks that direct e-businesses development. Myspace, Facebook, Twitter, and YouTube are the notable sites that provide the required platform for e-commerce. Interestingly, the business world has realized the need for the social networking and thus promoted the need of business experience and how they can get into contact with the customers. Increased use of the social network affirms the reality of the media advantage. Presently, 90% of the marketers use different social networks to do business [46]. The increased percentage is individual firm to promote their product and marketing organizations through online marketing. Another significant development why businesses have gained increased value is that social networks have changed to be a platform dominated by the youths. Today, the adult aged from 40 to 50 present a large portion of the social network users. This age bracket represents the most active segment in online business. The motivating factor to small-scale online merchants is that every individual in this group owns an account in a social network [27].

Additionally, Google+, Twitter, and Facebook are the most widely used social networks among the search engine marketers as a way of winning the trust of customers. Together, they have captured 35% of the space of social networks used for marketing. Emerging social networks and second in popularity include LinkedIn, Blogging, and YouTube. The least used group of social networks includes StumbleUpon, Tumblr, and Flickr [27]. In the social scene, about 70% of social network users are not willing to expose private information to many major online retailers. From this specific group of people, a small number that is about 21 percent of the total population prefer online transactions that are influenced by Google “+1s” or Facebook “Likes.” As at January 2014, the largest social networks based on online shopping subscriptions were Google + with 340 million users, YouTube 850 millions, Facebook 1.2 billions, LinkedIn and Twitter 250 millions [27].

### ***2.1.3.1 Social Media Marketing***

In any case, we have to ascertain the social media-marketing concept. Businesses have realized that there is a need for an adequate organization where the management can increase the effectiveness of businesses through media marketing. The progress in recent past confirms that the social technologies have accelerated the speed through which e-businesses can reach a large database of consumers across the globe. The use of social media has increased tremendously in the last few years, with people sharing information ranging from politics to economics, to social life. On the other hand, companies and business owners have realized the potential of social media in promoting

online businesses by winning the trust of their customers. Today, organizations are tapping into the people's online conversations aimed at creating concisely targeted offers and messages, and generating richer insights [38].

An important aspect of social marketing is that customer retention has become a significant gain in enhancing a company's image, building trust, as well as loyalty of customers. The development and maintenance of customer loyalty is one of the most crucial factors that contribute to a company's profitability [38]. Social media marketing is a system that has promoted the growth of the business and hence directed a new way of doing business. For instance, the Internet and World Wide Web has overturned the conventional ways of doing business and introduced the third generation technology-based techniques. Both the conventional and modern ways of doing business incorporate the factor of customer trust that essentially leads to customer loyalty. Consequently, at the globalization era, social marketing remains to be a key aspect for any business' sustenance [46].

The concept of social media is all about the process of conversations with others and building relationships. Today, the social media serves as an extra platform where e-vendors can propagate information about their products. Unlike other online marketing platforms such as e-mails, different social networks provide real time conversation zones where businesses can reach potential consumers. However, e-vendors have little control over information generated and spread in these platforms. Consumers have the ability to enhance the sale of any product if it gives them value for money. A consumer will spread the uniqueness of a product through word of mouth to all willing buyers in that

platform. This, in itself, helps enhance the trust different consumers have on a product [27].

### ***2.1.3.2 Small Online Businesses Using Social Media***

The use of social media is the latest trend in Internet marketing. At present, many companies, not only technology-based firms, are realizing the efficiency presented by social networks in marketing. As an example, Triumvirate Environmental, a company specializing in providing environmental and waste management services to different enterprises, generated \$1.3 million in revenues using the social media in the financial year ending December 2013 [3]. They used a user account that represented the small business on different social media platforms like Facebook and Twitter. People received awareness and exposure in the form of notifications and sponsored advertisement on their Facebook page. It was interactive and proved excellent results in getting popularity. As of this date, the company had 340 Twitter followers and thousands of friends in Facebook. Triumvirate Environmental communicates with clients in different social networks to ensure individuals as well as companies complies with the safety standards in the working environment. Clients from different parts of the world consult this company through these platforms for advice on how to deal with hazardous waste [3].

#### **2.1.4 Social Exchange Theory**

The social exchange theory states that the interaction of human beings is a resource exchange [27, 24]. The resource is not necessarily tangible (for example, money), but also intangible (e.g., friendship). The theory assumes that parties establish relationships with an intention of being rewarded. The social exchange theory assumes that the exchange of social and material resources not only makes the bases of human society but also necessary for its reasonable working. This exchange is only possible if there is trust between two parties. This trust would not only make the exchange more streamlined and easy, but would also, considering the word of mouth marketing, result in more and more customers. According to this theory, it can be assumed that a satisfied customer is in himself or herself a marketing device and would provide further benefits than being just a customer, as he or she could refer other people to buy from a company in which he or she found satisfaction. From this, it can be seen that in today's world, most of the businesses utilize this theory and provide many value added services that would make their customers happy. When a pizza delivery service claims that it could deliver pizza within allotted time and deliver on that promise, then not only the customer is happy, but would also recommend it to friends and family, assuming that the primary service of making a good pizza is also provided. This theory has been applied in social media marketing by businesses [24].

Small businesses establish relationships with customers on social media with a reward in mind. The reward is to gain customer satisfaction and loyalty that translates into business success. On the contrary, customers gain in terms of prompt delivery of

goods according to their specification. Therefore, this constitutes an exchange in which tangible and intangible factors are both included. The social media websites offer a platform that authenticates the transaction of resources, which benefit both parties. This is vital for business growth and expansion as the businesses are able to boost up their returns as well as benefit from word of mouth advertising, which is a result of resources gained by customers. Therefore, it is a win-win situation for a business.

Although used in businesses, the social exchange theory is a social and psychological phenomenon and its working are also dependent on psychological and social phenomena which businesses utilize to build their customer base.

Trust is not only a psychological activity but also a social device and that is the reason why it becomes very relevant in business practices. Things like good delivery system, customer support, after sale services, warranties, product quality and ease of conducting business are some of the tangible and intangible things which companies provide under the social exchange theory to their customers. In response to these things, the customer may feel joy, trust the company, make further purchases from the same company, refer it to other people and rate it higher on social media. It is not only the modern times where this theory is seen in practice, but its practice is as old as the history of business and competition to gain more customers.

Using this social exchange theory would provide a good model to not only understand the working of small businesses by assessing how they are working within the context of social exchange theory, but would also provide a good reference to rate their performance.

### **2.1.5 Relationship Marketing Concept**

This concept advances a strategy whereby businesses establish a personal relationship with their customers. Relationship marketing goes beyond attracting customers to purchase products. It is concerned with taking care of the customer by maintaining their profiles and monitoring buying patterns. This concept focuses on providing value to customers [35]. Customer satisfaction and loyalty is, thus, achieved when valuable relationships with the customer are in place. Small businesses use social media to establish relationships with their potential customers. There are numerous small businesses like clothing brands and small fast food restaurants that are able to advertise their sales promotions on their social media pages and accounts, which is much cheaper for them as compared to proper advertising campaigns. Also, they are able to advertise to only those who are interested in their brand and products, which is one of the benefits of profiled data.

### **2.2 Related Work**

The impact of social media on consumer's trust is drawing more attention from various researchers and e-businesses. Some papers have attempted to examine the impacts of social network on consumer's trust in small e-businesses. Most researchers think that using social media may benefit e-businesses. However, the question is that, do social networks have any impact on the customers' trust in small e-businesses? The

current section describes different studies and connects them with our present work to identify the effectiveness of this study.

An interesting approach is presented by Luo in his article “Trust production and privacy concerns on the Internet: A framework based on relationship marketing and social exchange theory” [27]. The research is based on the combination of datasets collected at the end of 90s and at the beginning of 2000; and the results are described in the perspective of raising a number of e-businesses with the simultaneous trend to decline the time consumers spend in the Internet. Although the authors pay attention to the issue of trust as the key point that makes each business successful, he argues that the Internet is a problematic space due to specific structure of relations between counterparts. It can be explained through the application of such terms as stakeholders and shareholders when there is a complicated predisposition of the first ones toward the second ones. The main question of this research was to find out what were the best solutions to increase the customers’ trust into e-commerce. Following the author’s chain of thoughts and assumptions, it becomes clearer that the concept of trust is strongly related to the feeling of privacy, because people can see themselves as the victims of private space violation in the WEB space. According to a number of empirical researches described in the article, consumers are strongly concerned about the using of private information and lack of informational security in Internet. Author refers to the three-dimensional model of trust which consists of character-based trust which refers to the certain person or group; process-based trust which refers to trust build on previous or expected interactions; and institution-based trust which refers to the formal structures. According to the Luo’s suggestion, the most profitable approach to improve the trust in

e-commerce is institutional-based dimension because it creates a special formal reliable image unlike the character-based and process-based dimensions. Although last two could simplify the application of the institutional approach, this research brings a valuable contribution to understanding the building of trust in e-commerce.

Another dimension of the trust building problem is studied by Doney and Joseph Cannon [9]. Their extensive summary, which is named “An Examination of the Nature of Trust in Buyer-Seller Relationships” brings up the problem of trust from the more philosophical and deeper perspective. Moreover, their approach is rid of e-commerce emphasis and concerns mostly the convenient model of buyer-seller relations. The reader can notice a movement towards theoretical deepening with the simultaneous application of the symbiosis of behavioral and social exchange theories, which to the authors’ mind explained the economic understanding of trust. According to the results of the research, there were several variables that significantly affected the level of trust between counterparts. First, the personal characteristics of the salesperson had a strong effect on trust building process, followed by the level of salespersons’ expertise and treating him as an authoritative person. The latter characteristic had weaker impact. Also, the variables in a relationship dimension strongly affected the trust between supplier’s and buyer’s firms. To be more specific, the extent of how the salesperson represented the whole firm and subjective personal attitudes did have an impact. Also, the time spent with the buyer’s person drastically altered the level of trust between these two sides. The study provided a highly valuable conceptualization of the term of trust; there is a strong theoretical discrepancy within reviewed paper and our study. The authors took into account only the model B2B which is only somewhat applicable to the research of trust

in social media. Eventually, their theoretical and practical tips will only slightly facilitate the process of scientific seeking.

“Customer engagement, buyer-seller relationships, and social media” by Sashi [38] provided a different but very valuable theoretical and empirical elements to the given problem. Working mostly on building the facilitation of the engagement of new customers via the Internet and especially social media, the author tries to make a multi-paradigm approach that would satisfy both interested in the advertising field and those who are more into economic and marketing issues. What is very important is that the author outlines the importance of how the executives review the relations with current and potential customers. According to his point, the theory of social exchange can be applied to explain this phenomenon. Respectively, both customers and sellers treat this interaction as a possible opportunity to gain a maximum profit in the future. Based on previous theoretical research and empirical data, the author concludes that the most efficient way of engaging new customers and creating stable relations with existing ones is to satisfy their needs and create a superior value comparing to other competitors. During the last years, the communication between sides became a crucial moment which determines who is going to be the most successful supplier of services or goods. Therefore, dealing with the new technologies of connection, which are mostly internet-based, creates a strong impulse for enterprises to find ways to enhance their appearance in the world of virtual communication.

The importance of personal acquaintance, trust and knowledge for the success of e-commerce is analyzed in the “Impact of Social Influence in E-Commerce Decision Making” written by Srivastava and Ae Kim [39]. The emphasis of this paper is on the

drastic trait of e-commerce which is its constant existence in the virtual world. The stores of virtually represented companies almost simultaneously determine the appearance of informal pages in social media where customers can give feedbacks and share the information about certain companies and their products. The authors attempted to find a solution that would facilitate customers to make solutions about purchasing definite products since the problem of decision-making arose as one of the biggest problem with the rise of e-commerce. One of the most important conclusions of the article is that social influence proceeded by the person's surrounding in virtual social media has a very strong impact on a certain decision. The most advanced companies such as Amazon developed several modern techniques to engage more customers by sharing and inviting into related groups in social media. That is a definite way how the social influence affects the e-commerce performance. Following the information represented in this article it becomes obvious that the ideas and suggestions are strongly relevant to the problem of the research. Moreover, it's high relevance to the latest issues in e-commerce and virtual world make this piece a valuable source of tips and facilitations for the research process.

Four authors, Qu, Wang, Wang and Zhang [33] succeeded to analyze the e-commerce as a crucial factor of economic performance. Authors argue that big social networks like Facebook, Second Life, My Space etc. are no longer only a space for innocent chatting and sharing useless ideas. They suggested that from the moment of establishing e-commerce as a separate field of commerce they became strong backgrounds for commercial activities, improving existing ones and creating others. They tried to answer the question to what extent do the virtual social platforms can

improve the economic performance of enterprises. Combining the theories of social networking and social capital, the researchers found several important features of social networks. Firstly, bidirectional relations could be a strong opportunity for building a channel for sharing information with customers. Moreover, it would enhance the level of trust to the brand due to personal properties of relations. Secondly, the concept of advice could strongly improve the public reputation of the seller forming out his image as a well-known, proficient and undisputable player on the market. The empirical results showed that the number of friends and offered advices had a strong correlation to the level of e-commerce performance. This research is a highly valuable finding for our thesis due to its strong concern on e-commerce, as well theoretical background and valid empirical results.

The article “Consumer Trust in B2C E-Commerce and the Importance of Social Presence: experiments in E-Products and E-Services” by Gefen and Detmar [11] gives an understanding how people tend to alter their way of understanding from more institutionalized towards less formal ones. Therefore, trust was chosen as the main concept that is referred to the tool people use to share information and make decisions. Like one of the previous studies analyzed in this chapter, authors pay a strong attention to the theoretical understanding of trust as a concept. But, unlike other articles, this one reviews the relation between trust and social presence. The last concept defines the importance of the personalized trait of any type of communication. Therefore, as a practical hint, it was suggested that e-commerce pages should create special units that would be responsible for creating such an image. According to authors’ position, such an

illusion of presence due to a specific structure of human psychology would enhance the level of trust, which eventually would improve the performance rates of the enterprise.

One of the most practical pieces of reading is “Do a Social Networks Improve e-Commerce? A Study on Social Marketplaces” by Swamynathan et al. [41]. The general understanding of this article can be related to the interrelation between the concepts of trust and social networks. According to the primary assumptions of the authors, social networks have a strong positive impact on the development of trust, but it became a challenge to evaluate the extent of this impact, which led to the deep case study conducted by the team of researchers. The clear quantitative property of this research allowed providing representative conclusions about users of social networks as possible consumers of certain products. The results of the data analysis were unexpected since the number of transactions between personal friends in social network did not have a strong impact on the enterprise performance. But, if the enterprise communicate with the potential customer, this is more likely to turn into efficient cooperation. Even though, the level of analysis was very deep and informative, it would not fit perfectly to our research due to the mostly instrumental emphasis put in the article.

Mohd, Yasin and Alam [31] quantitatively analyzed how the concept of trust is constructed in the virtual space using the case study of air industry in Malaysia. Going hand in hand with the authors’ ideas, it would become a rule that the e-commerce is strikingly developing during the last years, which should motivate conservative entrepreneurs to change their model of business. The same situation is noticed among consumers who tend to trust more and more from year to year into e-commercial products and services. The authors outline trust as the key factor, which determines the

faith of the purchasing. Referring to other theoreticians, the article outlines two main groups of factors: web-site factors (security, convenience etc.) and consumer factors (personal preferences, self-confidence etc.).

Although our study has utilized some studies to develop an understanding of social media and small e-businesses practices, some papers have limitations to social media. Our study harnesses the effectiveness of developing a link between the limitations of various studies and hence a unified study that builds on the limitations and strengths of other studies.

- (1) The main difference between Luo's study [27] and our thesis is that the Lou's study does not mention the point of building trust in small e-businesses. It is just examined the key mechanism that increase trust in e-commerce.
- (2) The second paper by Doney and Cannon has many differences compared our research. First, the authors took into account only the model B2B that is only slightly applicable to our research of consumer trust in small e-businesses. Eventually, their theoretical and practical tips will only slightly facilitate the process of scientific seeking. Moreover, it does not take into account any e-commercial entrepreneurship.
- (3) The Sashi's paper [38] has a strong concern on e-commerce and customers' engagement. Still, there is a crucial discrepancy between our study and this paper as the emphasis of this paper is providing theoretical tips to implement customer's engagement.

- (4) Srivastava and Ae Kim [39] identified the concept of social influence to the issue of decision-making in purchasing products. Although most of their attention was brought for social media business making, their work is different from our study. They focus on the decision-making process in e-commerce, whereas our study focuses on consumer trust in small e-businesses.
- (5) Qu, Wang, Wang and Zhang [33] wrote about economic performance in the framework of social media. They suggested useful tips, but they did not write much about trust in social media, which makes their paper very different from ours.
- (6) Although Gefen and Straub [11] were also concerned with the issue of trust in social media, their focus is particularly on the social presence as the key point of their research. The authors conducted quantitative analysis to test their research model.
- (7) Swamynathan et al [41] attempted to investigate the impact of social media on consumers' trust and their satisfaction, but due to data and analysis limitation they failed to identify the impact. They made a strong emphasis on the quantitative data and their corresponding conclusions, which differs them from our mixed-methods.
- (8) The case study on trust construction in social media presented by Mohd, Yasin and Alam [31] serves as a good facilitator for our study. Nevertheless, they were too specific about the location and time range, while our study is

intended to gain a comprehensive understanding of the impact of social networks on consumer trust in small e-businesses.

## **CHAPTER 3: Research Methodology**

This chapter describes the method and steps that are used to carry out our study. The overall purpose of this research is to determine the impact of social media on customer trust in small businesses' e-commerce. In addition, we seek to find answers, in particular on the level of improvement or enhancement if any, that the use of social media has had on consumer trust. As mentioned, the following research questions are used as guides to address the study:

**RQ1.** What is the impact of social media on consumer trust?

**RQ2.** Does merging social media and e-commerce improve or enhance customers' trust in small e-businesses?

**RQ3.** What is the level of the improvement of customer trust in small e-businesses from the social media aspect?

### ***3.1 Research Design***

In order to answer the research questions, a mixed-methods research design was used. This design was relevant to the research because it provides an explanation to a phenomenon or an assertion using two different approaches with both qualitative and quantitative methods used alongside each other. Hesse-Biber [16] explained why a mixed-methods approach employs both the qualitative and quantitative aspects,

specifying the main reasons as follows: (1) "to gain a more robust comprehension of qualitative results by incorporating the quantitative findings"; (2) "to be able to triangulate the research findings" after both approaches have been completed; and (3) "to discuss and explain divergent or disparate findings" [16]. With these reasons in mind, we deem it crucial to use a mixed-methods approach to be able to "validate the findings," especially with the presence of a triangulation method [16].

Many elements of a mixed-methods design can be traced to exploratory research design as both of them utilize primary data and support it with secondary data to determine whether a phenomenon exists or not. Furthermore, the design also assesses the range of the influence of such phenomenon. As Leech and Onwuegbuzie [26] stated, the six main purposes for using a mixed-methods design are: (1) "confirmation; (2) complementarity; (3) initiation; (4) development; (5) expansion; and (6) enhancement of vital findings" [26]. Therefore, with the employment of a mixed-methods design, we were then able to produce extensive findings, practicing all six purposes. For our work, we analyzed the impact of the use of social media platforms by small e-businesses on customer trust. We utilized both primary and secondary data to achieve the aim of understanding the impact of the subject to the target audience. The main sources of data are the direct responses or answers gathered from this research and the methodology, specifically, the answers from interviews and surveys. Meanwhile, the whole methodology was guided by the aims of our study that we outlined earlier Section 1.2. In addition, for both qualitative and quantitative studies, data were collected from online small e-businesses who use social media as marketing tool, and online shoppers. The primary data approach was employed because it has a number of benefits: The use of

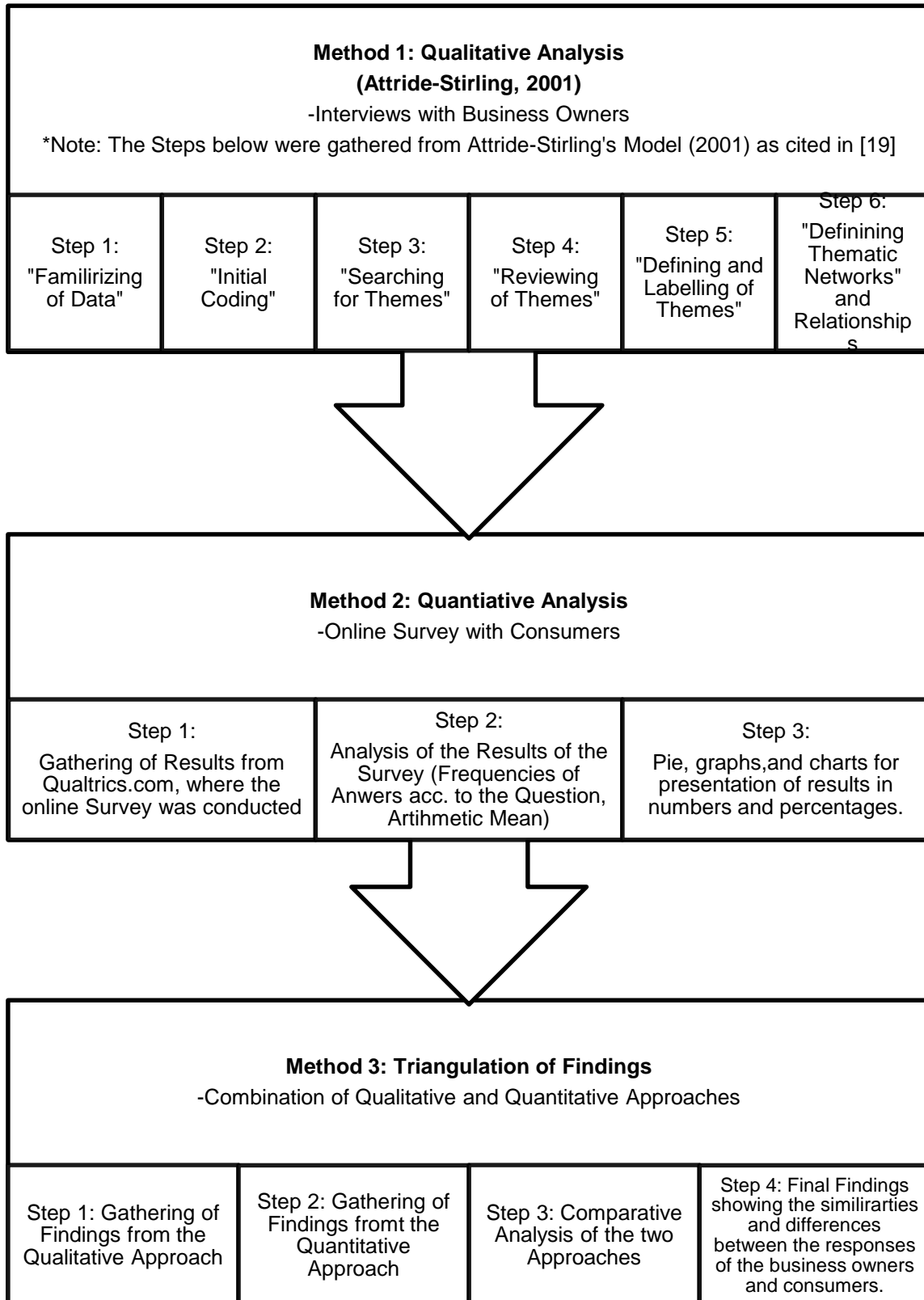
primary data increased the validity of the research because it was collected directly from the source.

The research also used secondary data that is also checked for completeness. The secondary data is used to support the claims established by the primary data, and its completeness is checked by taking it from reliable sources only which would guarantee that it was collected authentically. This added credibility to the research. The university library and academic literature from the Internet was the source of this secondary data. Secondary data could be of high quality since government funded studies involve large samples, which are representative of the whole population [30].

### ***3.2 Research Model***

This research assumed a mixed-methods approach, using both qualitative and quantitative analyses. The qualitative aspect of the research was an essential model, as it helped us to gain an understanding of the behavior of consumers and online businesses by gathering the perceptions of the small e-businesses owners with regard to the topic. Firsthand perceptions and experiences allowed the themes to be formed directly, which addressed the three research questions of the study. This model was important because it employed observation and interviews to gain a clear understanding of behaviors. Meanwhile, the quantitative model of the study focused on the more general side of the study, gathering brief responses through online surveys with regard to the consumers' trend or practice of having business transactions online. With the quantitative model, we were able to collect the vital perceptions of the two parties involved in the study: (1) the

small business owners' observations on how social media marketing has affected their customers' trust; and (2) the customers' real perception of conducting business through online media sites such as Facebook, Twitter, LinkedIn, and Instagram. In order to determine the mixed-method result from the qualitative and quantitative approaches, triangulation method applied to compare the findings of the first two methods. Given this method (triangulation), the outcome of the study would present valid and reliable findings to address the research questions of the study, completely and without bias. Figure 1 below presents the detailed steps followed in order to complete the analyses of the study, in three significant stages: the qualitative method, quantitative method, and the triangulation of findings to compare the results of the two groups.



**Figure 1: Breakdown of the Methods Employed in the Study**

As claimed earlier, the mixed-methods approach allows us to validate the findings against each other, or to “triangulate” the findings from both methods after everything has been completed.

The purpose of qualitative design was to develop meanings that helped in understanding the perceptions of the small e-businesses owners and not to provide direct, statistically reduced answers, as compared to what the quantitative method supplied. Furthermore, the qualitative aspect considered the viewpoints of the subjects participating in the research; and sought to find answers from such viewpoints. This made the data more subjective and provided a holistic approach to the research aims. The conditions were not manipulated as seen in laboratory research which was an example of quantitative research but they were allowed to remain natural so that valid and on-the-ground type of data were collected which were considered humanistic not statistical. Because of all these features of the qualitative model and considering the anthropological nature of the study in reference to the social exchange theory, the qualitative model was utilized for the first part of the research.

The quantitative model was used to reduce the answers of the consumers from the surveys conducted online. It was a good model to support and give a general view of the consumers’ trend of conducting business online through the statistics and numerical data that were formed from the large number of respondents. Upon having the results of both studies, the triangulation of findings then commenced.

For the mixed-methods study, we conducted a qualitative thematic analysis, as well as tabulated online surveys that focused on the various characteristics of a well-

studied and conducted research. The characteristics or components of validity and reliability were: credibility, transferability, and conformability. We established credibility in the research by making the subject of the study, namely, the impact of social media marketing on consumer trust, evident in every aspect of the study. Both the interviews and the online surveys were secured and protected throughout. If there were unclear or missing answers from the small e-businesses owners, we contacted the participants again through e-mail to validate or clarify the responses shared. As for the transferability of the study, notes were listed and jotted in every step of the thematic analysis of the qualitative portion to ensure that all data collected concurred with the findings of the quantitative portion. All data gathered, such as interview transcripts, notes, logs, and copies of the survey were placed inside a vault and will be kept for a period of five years, as required by most universities. Finally, conformability was also managed when we attested and guaranteed the responses of all participants, both in the qualitative and quantitative portions of the study.

### ***3.3 Population***

Business owners have started to take advantage of the growth of the Internet and social media communication by shifting their transactions to the virtual community. It is becoming a common sight to see small e-businesses using social media websites to promote or sell items, which are not too costly and delivered promptly to customers residing mostly in one particular community. Most of their customers are also people who do not want to spend money on costly brands where, in addition to the quality, the brands itself are also part of the end cost. Their interest is mostly in product and they are

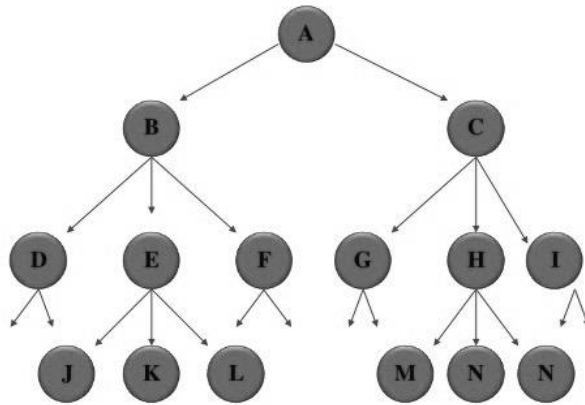
willing to compromise on the brand aspect [20]. Both of these units are relevant to what this research is going to study.

For the qualitative section, the population of our study was composed of small businesses that use social media to market their products and network with potential consumers. Meanwhile, the quantitative population included active online consumers on social media who have experienced doing transactions and business using the new market strategy. More detailed information on how some small e-businesses and consumers were chosen is provided in Section 4.1.

### ***3.4 Sampling and Sample Size***

Participants and respondents of the mixed-methods study were gathered through a snowball and random sampling. A snowball sampling, according to Rubin and Babbie [36], is a non-probability sampling technique that is employed when the population is “difficult to locate”. We “started with one contact and through that contact, other participants were recruited” [29].

## SNOWBALL SAMPLING



**Figure 2: Snowball Sampling**

For the qualitative and quantitative studies, the non-probability sampling of snowball recruitment was employed. In this study, data were collected through interviews with small e-businesses owners and a survey carried out on the customers. In this research, 104 customers (quantitative) and 21 small e-businesses owners (qualitative) were selected. We recruited a few e-businesses owners and from there started to ask for other contacts, e.g. other e-businesses owners that they know. We gathered 21 small e-businesses owners, as participants because it has been shown that qualitative studies do not necessarily require large samples, as stated by Tourangeau et al. [42]. Meanwhile, we maximized the opportunity by gathering the contact information of the small e-businesses owners with consent and asking them to refer to us consumers with whom they have served and who would be helpful for the study. Via this method, the

responses of the small e-businesses owners were supported by the answers of the customers as respondents of the survey in the quantitative analysis of the study.

As stated, a snowball referral sampling was the first sampling method to be employed. Because 104 was a large number for the respondents of the quantitative study, random selection was also utilized when the target number was not reached. For the random selection, a random number generator from the list of participants provided by the small e-businesses owners ensured that the data indicated the most probable reality and would also be free from any bias. The option of random sampling also ensured that the data indicated the most probable reality and were free from any bias. The interviews provided a good source to establish viewpoints, which people relevant to this type of business practices share. Meanwhile, the surveys provided a good source to establish a rating-based analysis to understand how the customers of this kind of business practice feel about the new and expanding business trend. The employment of such methods helped ensure the stability and completeness of the research.

### ***3.5 Questionnaire Design***

Our questionnaires used both closed and open-ended questions. The open-ended questions were used mainly in the qualitative portion, aiming to gather the participants' perceptions or opinions on a particular issue without bias. The qualitative questionnaire for the interviews entailed semi-structured questions. Semi-structured questions give the respondents a chance to be open and express their point of view without being led in a

certain direction, which is ideal when collecting the responses of the small e-businesses owners. Some questions were similar across the interviewees while other questions were structured to suit the conversation at the time of the interviews.

The closed-ended questions for the quantitative portion were designed to provide particular feedback on some key research questions. The closed-ended questions provided room for quick analysis of data gathered. For the quantitative study, online surveys were employed because they provided instant feedback from the online shoppers and were less costly compared to other means of collecting data. Online surveys were also essential in getting sufficient and straightforward information from respondents

Self-enumerative questionnaire was efficient to acquire data from the online shoppers. Self-enumeration means that the respondents will fill in the questionnaire themselves, without help from the researcher. The survey also contained background information of respondents regarding their satisfaction or dissatisfaction with small E-businesses.

### **3.5.1 Qualitative Questionnaire Design**

The first questionnaire (**Appendix D**) targeted small e-businesses owners and was designed on the underlying theme of social exchange theory. The small e-businesses owners were required to state how long they have been in business and the trend in their customer base over the duration. This showed how the social exchange occurs in this mode of business and how the trends are changing. This was important in providing a link between how long a business has been in operation and customer behavior. The

interview questions were asked to discover the small e-businesses owners' views on customers' reactions towards online shopping from small e-businesses and the customer feedback mechanisms that they have implemented in their businesses. This gave us the ability to determine how, in context of the social exchange theory, the small e-businesses are taking steps and new methods to establish a positive social exchange mode.

Interview Questions 1 and 2: These questions are about the province that the small e-businesses owners lived in as well as the type of business that they provide. The questions were included for the demographics of the participants; for us and the readers to have a background of the identities of the participants.

Interview Questions 3 and 4: Investigate the employee number of the small e-businesses and the duration of operations of the small e-businesses. From here, we were able to identify the types of businesses of the owners who have been operating online and know if they were able to boost their revenues after their shift in focus to social media marketing. We also investigated to know if the online marketing via social network sites has helped the business to capture an audience and trust.

Interview Question 5: This question has been asked to the business owners to tell about the challenges that their consumers face when completing online transactions. This question is significant as the other questionnaire (quantitative/ survey) also had the same query, gathering the perceptions of the consumers themselves. The two responses from the two groups can be used later on upon the triangulation of data.

Interview Questions 6 and 7: These questions ask for the frequency of the employment of social media when marketing as well as the most preferred social media site/ sites by the business owners. The questions shall allow the discovery of the most

effective and trusted websites of both the owners and the consumers. Again, this can be used later on upon comparing the perceptions and experiences of the two groups.

Interview Question 8: This question asks the business owners on the overall impact of the use of online websites and market in promoting their products. The interview question shall allow and determine how effective the new strategy has been for the small business owners today.

Interview Questions 9 and 10: These two questions ask for the challenges that the small business owners face in the new strategy as well as the effect of the social media marketing on the customer trust. The questions shall allow for the improvement of the strategy of the use of social media upon analysis. The question also assisted us to measure the relationship between customer trust and the effectiveness of social media websites; this measured the impact of merging social media and e-commerce on the customers' trust (which aided in addressing the first two research questions of the study).

Interview Questions 11, 12, and 13: These questions gather the extents to which business owners employ social media to acquire trust from their customers.

Interview Question 14: This question collects the perceptions and experiences of the small business owners on how the use of social media on the marketing of their products can further increase the trust of the consumers on their products and businesses. In addition, more meaning can be gathered at this point, as participants are not given strict choices to address question but their own words to do so.

Interview Question 15: Finally, the last interview question asks for the perception on how based on their small business owners' experiences can the new trend in e-businesses will fair in the industries going forward.

### 3.5.2 Quantitative Questionnaire Design

For the quantitative study, online surveys were employed. All of the questions in the questionnaire had an underlying theme besides the aim to achieve the target of the thesis. The underlying theme was a social exchange theory. Every question, in result, determined the elements of social exchange theory. This not only allowed the questionnaire to provide primary data but also suited the required satisfaction of social exchange theory. The sample of the quantitative questionnaire used can be referred to in **Appendix E**. The design purposes of the survey questions are described as follows:

Questions 1 and 2 are about the gender and age group of the customers, so that we could have a clear idea of which gender and age group were more involved in social exchange and were buying via social media. The age question is also to ensure that the participants' ages are over 20. Participants who their age under 20 were immediately terminated and replaced.

Questions 3 and 4 are about the country and province that the respondents lived in. These questions were included to ensure that all online consumers were indeed from Canada. Participants who indicated countries other than Canada were immediately terminated and replaced.

Question 5 is about the online consumers' frequency in shopping online. The question assessed the method of social exchange in the business that consumers prefer; and how often they use this particular mode of online shopping as social exchange.

Question 6 asks about the customers' experiences while shopping online. From social exchange theory's perspective, this ascertained the level of satisfaction these

consumers gain from this experience. The question sought to introduce the respondent to the main subject of the study, which was customer trust as part of social exchange theory.

Question 7 asks the respondents if their online shopping experiences affected their level of trust. The connection of this question in reference to social exchange theory was that it determined the confidence consumers have in this mode of exchange. This was also considered as the core question of the questionnaire and it linked the questionnaire directly to the research questions of our study.

Question 8 seeks to identify the challenges that the customers face while shopping online. Again social exchange theory was contextualized by letting the consumers provide their estimates on online mode of social exchange.

Question 9 asks the respondents to identify their favorite social media-networking site to determine the most common network among customers. This gave the customers the room to provide their preferred social media sites that they trust and provided the context of trust on social media formats in reference to social exchange theory.

Questions 10, 11, and 12 identify the customers' engagement with small e-businesses in social media. It is important for the companies that their consumers must rely on and trust them while making purchases; so to determine what social website they are confident in placing their orders.

Question 13 helps to measure how many of the individuals amongst the sample size have been influenced by social media to online buying and have made online purchases from small businesses. This question provided a background to consumers'

choice of social exchange as well as how they behave in this online mode of social exchange.

Questions 14, 15, 16, and 17 gather recommendations from the customers regarding how the level of trust could be enhanced. The last few questions were the most vital questions as they entailed the essence of the research study, which was the relationship of social media marketing to the enhancement of consumer or customer trust on small businesses in the country. These questions allowed the identification of the impact level of social media in consumer trust in small online businesses and how the social exchange theory played a large part in these questions as these questions gave the customers the opportunity to provide their personal opinions on the social exchange elements of shopping and how much they trusted the social media.

### ***3.6 Ethics***

While this study involves human subjects, it has been submitted for the approval of the University Human Research Ethics Committee (UHREC). An ethics certificate has been issued from the department before conducting any recruitment and data collecting (**Appendix A**). A consent form was provided to the participants to be signed (**Appendix B and C**). The consent form defined the important aspects such as objectives of the study, the voluntary nature of their participation in the study and an overview of concerns associated with confidentiality.

The consent form has been obtained from the e-businesses owners after they sign it before the interview. Online surveys had a cover (first) page, which had the consent

form. Participants could agree to the consent and continued to the survey by clicking an icon "I agree". If the participants did not agree to the consent form, they would click the "Disagree" icon and they will be automatically terminated from the online survey.

### ***3.7 Data Analysis***

Given that the research study employed a mixed-methods approach, two types of analyses were used. The data in this thesis were established from both the qualitative and quantitative approaches. First, the qualitative portion utilized a qualitative thematic analysis on the interviews with the small business owners. Meanwhile, the quantitative portion used percentages to calculate the answers of the respondents. The percentages allowed the presentation in definite numerical percentages and statistics. In particular, arithmetic mean was used to identify the quantifiable elements of the survey and give the averages of the results. Finally, a triangulation of the findings was performed as well to determine the mixed-methods results from the first two approaches.

For the qualitative portion of the study, a qualitative thematic analysis was employed to gather meanings from the responses of the small business owners. McLeod [28] described qualitative thematic analysis to be "flexible, straightforward, and accessible" [28]. A thematic analysis is composed of the classification of the main, episodic, or most imperative issues, themes, and codes arising from the responses of the participants [32]. We followed the six steps suggested by Attride-Stirling [2] in completing a thematic analysis: (1) "Familiarization of data; (2) Initial Coding; (3) Searching for Themes; (4) Reviewing of Themes; (5) Defining and Labeling Themes;

and (6) Developing of Thematic Networks” and Relationships (as cited in cited in Issa, Isias, & Kommers [19]). For the qualitative analysis, we employed Attride-Stirling's [2] steps in completing a thematic analysis which had six stages (as cited in Issa, Isias, & Kommers [19]). The first step of the thematic analysis was the familiarization of data through a careful review of the transcripts of the participants, in this case, the interviews with the small business owners. The second step was the "initial coding" where we assigned codes for each response of the participant that related to the research questions of the study upon reading the transcribed texts [19]. The third step was the "searching of themes based on the initial coding" in the second stage [19]. The fourth step was the "review of themes" where the themes were broken down- separated and merged, depending on the meanings and essences of the responses of the participants [19]. The fifth step was the "labeling" of themes where the grouped responses of the participants as themes were labeled for better understanding and again in relation to the research questions of the study [19]. Finally, the sixth and last step was the "thematic networks" where we had to cluster the themes according to the meanings as well as those participants who mentioned the said themes. The last step was also where relationships and networks were established [19]. Through these simple steps, grouped themes were gathered from the responses of the participants with meanings and essences that addressed the three research questions of the study. We used an inductive approach, which was defined as an approach that does not rely on existing theories and preconceived themes, but rather employs the current data to address the purpose and research questions of the study [21]. Therefore qualitative data was appropriate; at the same time, this kind of approach entailed a “high-level interpretation” [44]. The

inductive approach usually starts with major generalizations in any study following this and it filters down into focus of the research until the researcher is able to draw conclusions from the classified data [44]. At the end of study, the qualitative approach allowed the formation of theories based on the analysis of generalizations and data gathered.

Compared to the inductive approach, the deductive approach starts with a hypothesis based on a theory or the literature instead of a generalization, even before the analysis has been started [44]. The study under a deductive approach is designed to test the validity of the hypothesis. Therefore, the deductive approach was not appropriate for the study as there were no pre-conceived theories and hypotheses. Our study fully employed the analyses of resources to form the research themes and answers. Using an inductive approach in the study entails that questionnaires will be used to get data from the respondents, and the researcher will be able to extensively interpret the meanings afterwards. The current research used online surveys and interviews to obtain data from online shoppers and small business owners on social media, without any pre-determined theories and themes

## **CHAPTER 4: Results - Mixed Methods**

This chapter presents the data analysis and findings from the gathered data where we used a mixed-methods approach incorporating both qualitative and quantitative analyses. The purpose of the study is to discover the relationship between social media and the development of customer trust. Furthermore, we seek to know if the use of social media by small e-businesses enhances customer trust. The first part of the study presents the qualitative portion, and the second part discusses the quantitative aspect of the study. For the qualitative portion, a thematic analysis on the interviews with representatives from small e-businesses was performed. The thematic analysis was performed in order to establish themes and invariant constituents or other significant perceptions shared by the participants, which all pertain to the research questions of the study. In addition, a quantitative analysis was also employed in order to have better insight into the nature of data collected from the respondents. We analyzed data using descriptive statistics, frequency distributions, percentages, and measures of central tendency, such as mean presented using tables, charts, and graphs. Data collected on the small e-businesses were then summarized, categorized, and analyzed to generate information useful to the issues under study. Furthermore, for the quantitative study, the elements of social exchange theory, which are integrated in the questionnaires, were analyzed as well. This would allow us to explain the data or the themes in the data using the proposed theory of social exchange.

The elements of trust, interaction, frequency, obstacles, and challenges would be the most important tasks to display, and all of these elements would be satisfying the

need of connection of social exchange theory that the thesis offers to make. This would enable the conceptualization of the data regarding the underlying theme of social exchange and show how it is relevant to this particular research. As stated in Section 1.3 of Chapter 1, our study is guided by the following research questions:

**RQ1.** What is the impact of social media on consumer trust?

**RQ2.** Does merging social media and e-commerce improve or enhance the customers' trust in small e-businesses?

**RQ3.** What is the level of the improvement of customer trust in small e-businesses from social media aspect?

#### ***4.1 Setting and Demographics***

For the qualitative portion of the study, 21 small e-businesses owners were interviewed. These participants were able to give their personal perceptions and experiences on how social media marketing has affected the trust of their customers. 52% of the business owners lived in Ontario, Canada; 19% lived in British Columbia; 14% from Quebec; 10% from Nova Scotia; and 5% from Alberta. As for the Type of business that the interviewed consumers provide, we present the breakdown in Table 1. Meanwhile, 48% of the interviewed small e-businesses owners had one to four employees; 33% had five to ten employees; and 19% had 21 to 50 employees. As for the years in business, 38% stated that they have been in business for two to five years; 29% stated that they have been in business for six to ten years; 19% stated that they have only been in business for a year; 10% stated that they have been in the business for more

than 16 years; and only 5% stated that they have been in business for 11 to 15 years. From the 21 participants, 38% admitted that they "frequently" employ the social media to market their products; 29% state they use the social media "sometimes"; 24% shared that "always" use the social media for marketing; and only 10% stated that they "rarely" use social media.

**Table 1: Types of Businesses of the Interviewed Owners**

| <b>Participant Numbers</b> | <b>Type of Business</b>                                    |
|----------------------------|--|
| Participant 1              | Pet supplies   |
| Participant 2              | Lighting   |
| Participant 3              | Freelance writing articles essays                          |
| Participant 4              | Courier  |
| Participant 5              | Book keeping & typing                                      |
| Participant 6              | Consultant   |
| Participant 7              | Musician   |
| Participant 8              | Accounting & income tax returns                            |
| Participant 9              | A multi services photo, audio, video, and film production. |
| Participant 10             | Personal Chef/Cooking Teacher, Caterer.                    |
| Participant 11             | Marketing  |
| Participant 12             | Selling used books   |
| Participant 13             | Roofing  |
| Participant 14             | Used Book  |
| Participant 15             | Baby toy items   |
| Participant 16             | Apparel (clothes)  |
| Participant 17             | Landscape design services                                  |
| Participant 18             | Quilting   |
| Participant 19             | Crafts   |
| Participant 20             | Troubleshooting  |
| Participant 21             | Retail   |

For the quantitative study, 192 persons participated in the beginning of the data gathering. The survey was conducted on <http://www.qualtrics.com>. Among the 192 persons, 13 persons were under 20 years old, 22 persons were not from Canada, 9

persons never shop online, 6 persons do not have a social media account, 30 did not complete the survey due to personal reasons, and 8 responded to the survey and completed it, but their answers to the open questions were not related to the topic or were unclear. These samples were terminated automatically from the online survey. Therefore, the final number of survey respondents was 104 out of the initial 192. All 104 interviewed consumers lived in Canada and were from different provinces. Their ages were all above 21 years old. All participants stated that they have different social media accounts and have indeed experienced online shopping at least once or more. More information about the engagement of the consumers in online shopping and social media is provided in the later section 4.3.2.

## ***4.2 Data Collection***

The data from the study was collected through online interviews and surveys. The interviews provided a source for themes and answers to establish viewpoints as these were directly shared by individuals who have engaged in similar business practices and have experienced the perceptions firsthand. Meanwhile, the survey provided another source to establish a ratings-based analysis to understand how the customers of this kind of business practice feel about the social media-marketing tool. The attainment and employment of the two sources ensured stability and completeness of the research. Firstly, the qualitative sources were gathered from the personal interviews with the 21 small business owners. The small e-businesses owners contact information was collected from: (1) *Invest Ottawa* for small e-business workshops and training classes

where we attended and met some owners then asked them for their contacts information;

(2) we gathered some other e-businesses owners from the e-businesses owners we interviewed (as we mentioned in Section 3.4, snowball sampling has been used). Upon the agreement of the business owners, we asked their most convenient method for the qualitative interviews. The interviews were done either face-to-face, telephone, and online, depending on the preferences of the small e-businesses owners. Once, the date and place have been set, we then asked for the informed consents to be signed and formal interviews commenced. As for the quantitative method, sources were gathered from the 104 consumers who agreed to answer the online surveys on <http://www.qualtrics.com>. These consumers were first informed of the purpose of the study as well as were asked of their willingness to participate in the survey through the e-mails and social media lists where they also helped in sharing the survey link of the study. Upon the agreement of the two parties, the informed consents were sent and the link for the online surveys was attached as well.

### ***4.3 Results***

The results of our study are presented into two parts: The first part focuses on the qualitative component, and the second part on the quantitative component.

For the qualitative component, verbatim texts from the interviews will be presented as well as tables incorporating the number and percentages of occurrences from the analysis are presented. It must be noted that the perceptions and experiences that received the most number of occurrences per research question or thematic label

were considered as the major themes of the study. While those that followed and received fewer occurrences were tagged as the sub-themes of the study or the other significant perceptions or experiences. We have two major themes, we infer them from the small e-businesses owners answers to some of the interview questions.

Meanwhile, for the quantitative component, graphs and charts were included to show and understand better the statistical results of the analysis.

#### **4.3.1 Qualitative Components**

Based on the responses of the small e-businesses representatives or owners, themes were then established that addressed the three research questions of the study. The first major theme answers both the first and second research questions, with regard to the impact of social media on the trust of the consumers, and if the merging of social media with the e-businesses has enhanced the social consumer trust on the small e-businesses.

We decided to create the first major theme depending on the responses of the small e-businesses to the interview questions, Q5, Q10, Q11, and Q14. We coded their answers, which answer the first two research questions of our study, and then we analyzed them.

The second major theme then addresses the third research question on the level of improvement of customer trust in small e-businesses from social media aspect. The responses of the small e-businesses' owners to Q13 and Q15 of the interview questions were coded and used for the analysis of the second major theme. For a better

understanding of the qualitative portion of the study, we used the term “major theme” for the responses that were coded with the most number of occurrences, while the term “sub-theme” was used for the responses that received relatively fewer references or occurrences than the major theme.

#### ***4.3.1.1 Major Theme 1: Trust is Improved While Communication is Present***

The first major theme was established based on the first and second research questions, which are the impact of social media on consumer trust and if the merging of social media and e-commerce improve or enhance the customers’ trust in small e-businesses. We found that social media improved the trust (of consumers on e-businesses) while the communication and relationship between the two parties is present.

Business owners admitted that there is the issue of lack of trust in sellers: 57% of the total population shared that experience. Table 2 contains the breakdown of the challenges experienced by the participants.

**Table 2: Challenges Faced by Small Online Business**

| <b>Challenges Faced in Online Business</b>          | <b>Percentage of Occurrences</b> |
|---|----------------------------------|
| Lack of trust in sellers                            | 57%                              |
| Issue on extra charges                              | 24%                              |
| Security issues (Providing of personal information) | 10%                              |
| Not being able to physically touch the items        | 10%                              |
| Payment methods                                     | 5%                               |
| Customer Service                                    | 5%                               |
| Communication Problems                              | 5%                               |
| Return Policy                                       | 5%                               |
| Visibility of Seller                                | 5%                               |

Business owners, based on their experiences, believed that online business marketing is still faced with the lack of trust from the consumers. Participant 1 stated that consumers do not easily trust unknown brands: “Can’t trust small e- business, if they don’t know, as other e store for known brand.” Participant 2 also admitted that consumers have issues in trusting the seller: “Trusting the seller.” Participant 4 shared how consumers have issues when they do not physically see the people or sellers they are dealing with: “Trust in people they deal with.” Participant 9 explained that consumers are afraid of scams when dealing online and with small, businesses: “If

trustworthy / worth wild or if it's a scam or safe. They can't decide because it seems sketchy because the business is small.” Participant 15 echoed that there are consumers who do not want to deal with online sellers as they have issues in trusting them: “Trust, security, returns, not wanting to submit personal details, getting unwanted emails or marketing as a result.”

The other significant challenge that emerged was the issue of the consumers on the extra charges such as the shipping fees or delivery charges as well as the taxes on the products. 24% of the interviewed business owners shared the said issue. Participant 8 shared that consumers also have issues with the extra costs such as shipping and tax costs: “Shipping and tax costs.” And Participant 19 admitted that shipping fees can be expensive: “Expensive shipping fees.”

The seven other challenges received less than 20% of the occurrences or responses of the sample population of the study. These were the hindrances or difficulties in (a) Security issues (Providing of personal information); (b) Not being able to physically touch the items; (c) Payment methods; (d) Customer Service; (e) Communication Problems; (f) Return Policy; and (g) Visibility of Seller.

Although there were several challenges to gain consumer trust, business owners established that social media marketing has provided positive effects and influences on their e-businesses and consumer trust. 57% of the small e-businesses owners found that social media has moderate impact on their consumer trust while 19% found it high impact; and just 6% who found that the impact of social networks marketing is low. Table 3 contains the breakdown of the impact or effect of social media on the consumers' trust.

**Table 3: Impact of Social Media on Customers' Trust in Small E-businesses**

| <b>Major Theme and Sub-Themes</b>                                    | <b>Percentage of Occurrences</b> |
|--|----------------------------------|
| Improved trust while communication is present                        | 33%                              |
| Improved trust as customers use social media as references           | 25%                              |
| Improved trust as customers use social media to voice their opinions | 25%                              |
| Improved trust by advertising quality products                       | 11%                              |
| Good for business  | 7%                               |
| Improved trust by expanding the reach of audience                    | 2%                               |

Overall, the participants observed an improved trust as while communication and relationship between the e-businesses and customers is present. We consider this theme as one of the two most vital findings of the qualitative component of the study. Participants as business owners communicated the said effect of social media on their consumers and businesses. Participant 9 simply stated that: “Yes, customers trust improves over time.” Participant 12 shared how the “direct approach” of social media allows better communication with their consumers. Participant 14 added that “By interacting with the customers,” trust has increased. Participant 15 also suggested that “Openness and honesty” have improved as well. For Participant 16, there has been “consistent interaction and transparency” ever since social media communication has emerged. Participant 17 then stated that “Getting to know you on a personal level to

know they are not being scammed. See the results in your posts” allowed trust to increase as well. For Participant 18, “Being responsive to comments and questions” allowed the customers to feel more secured in their business transactions.

Upon the shared perceptions and experiences of the participants, it was found that the small business owners found that both trust and security have increased with the new strategy of online marketing and transactions. They shared how the nature of the social media having transparency and ability to readily connect and communicate to the consumers allowed some sort of relationship to be built. These experiences and advantages then resulted to the feeling of trust and security to be established.

The first sub-theme of the study was the improved trust as customers use social media as references. The other significant perception or experience received 25% of the occurrences of the total population. The sub-theme refers to the improved trust as customers can employ the social media to know more about the record and credibility of the small businesses they are planning to conduct business with.

Participant 1 simply said that consumers use social media for “references” on business. Participant 3 added that consumers also refer to social media marketing “by seeing how reputable you are and by looking at the product/ by reading and writing.” Participant 11 said that social media marketing, when used positively, could give “customer reviews and refs.” Participant 13 simply stated “References” to improve and enhance the trust of consumers, especially when employed properly. Participant 21 echoed that it can be positive when “good product attracts customer.” The second sub-theme or other important perception that followed was the improved trust as customers use social media to voice their opinions. The sub-theme again received 25% of the

responses total sample population. The perception pertains to how the business owners believe that customer trust is improved because of how the consumers can share and state their opinions and transaction experiences.

Participant 2 suggested that by “making sure you supply what they want,” customers are satisfied and then trust can be improved. Participant 4 said that “through interaction and feedback” service can be improved and then customers will be satisfied. Participant 5 stated that the “positive reviews” allow better service in the future. Participant 6 uniquely shared that “talking the talk on social media, and then walking the walk in the business” is the best way to gain the trust of the customers, another positive effect of social media marketing when employed correctly. Participant 7 added that great reviews or feedback allow other customers to see and gain confidence on the business: “Great reviews of my services.”

The three other sub-themes received less than 20% of the occurrences or responses of the sample population of the study. These were the perceptions of (a) improved trust by advertising quality products; (b) good for business; and (d) improved trust by expanding the reach of audience. Given the six positive effects of social media marketing to the business owners, the social exchange theory can then be incorporated. As Lambe, Wittman, and Spekman explained, if the evaluation of the exchange in relationships of the two parties “exceeds the expectations,” then the “exchange in relationship shall continue” (as cited in [10], p. 62). In this case, the small e-businesses owners found that their consumers’ satisfaction increased with the benefits of social media marketing, in terms of service and trust; as a result, their business relationships were maintained and were sustained for references for future transactions.

While it is obvious that there is a real impact of social media on trust and the relationship between the small e-businesses and consumers, participants has shared their experiences on how to build the consumer trust from the merging of social media marketing and their e-businesses. Table 4 contains the breakdown of building consumer trust in small e-businesses as sequences of the merging between the small e-businesses and social media from the participants' experiences.

**Table 4: Building Consumer Trust in Small E-businesses from the Merging of Social Media Marketing and Small E-Commerce.**

| <b>Bulding Consumer Trust by the Merging of Social Media and E-businesses</b>                     | <b>Percentage of Occurrences</b> |
|---|----------------------------------|
| Interactions With Followers and Consumers: Quick Reply or Response, Be engaged, Show You're Human | 52%                              |
| Sharing Positive Feedback, Reviews or Comments  | 48%                              |
| Showing Good Services / Products  | 33%                              |
| Recommendations and Referrals from Satisfied Customers to Other                                   | 19%                              |
| Showing the Security  | 14%                              |
| Online Coupons, Online Sale, or Discount  | 10%                              |
| Commercial and Advertisements   | 10%                              |

Business owners, based on their experiences, believe that merging of their online business and social marketing plays a role in the building of consumer's trust and relationship. The engagement of small e-businesses with costumers in social media is a one thing that builds a trust; Participant 2 stated that: " By being engaged with costumers on social media that perhaps make customers feel more connected to the e-

business.” Participant 4 also admitted that consumers’ trust effected by the social and small e-businesses merging and engagement: “ When we proof who we are and show how well our service was for them, and quick response through the social marketing. Customer will feel more engaged and trust us.” In addition, Participants 10 stated very interesting sentences about the small e-businesses and social merging impact on building trust: “Talking the talk on social media, and then walking the walk in the e-businesses.” Participant 14 sated about the consumer engagement with the small e-businesses and trust: “Getting to know you on a personal level so they know they are not being scammed.” Participant 18 sated about building trust with interactions with customers: “Interaction with costumers on social media and shows that you are human will defiantly increase the costumers trust.”

Owners also believe that sharing positive reviews and comments will build the consumer trust on the small e-businesses through the social media. Participant 6 stated that consumers could trust small e-businesses through the positive comments and reviews: “Customers trust improves over time, by leaving reviews and feedback for us.” Also, Participant 15 agreed to that concept of the reviews in social media: “Better feedback gives new customers relief in knowing us and who they’re dealing with”. Moreover, from the Participant 16’s experience, sated about positive comments and trust: “With a goods comments consumer know product and our business services. So they know us and trust us.”

The other significant element that helps in building of the consumers trust in the small e-businesses through the social media marketing is: Showing Good Services / Products. 33% of the interviewed business owners shared that when the small e-

businesses show their products or services to their consumer in the social media that could build a trust. Participant 8 shared that consumers could trust the small e-businesses because the costumers notice how good the products or the services: “Good products or services attract customers and their trust.” And Participant 19 admitted that presenting good services or products affects the consumer trust: “Make sure you supply what they want perfectly, so they start trust you.”

The other things could build consumers trust by the merging of social media and small e-businesses received less than 20% of the occurrences or responses of the sample population of the study. These are (a) Recommendations and referrals from satisfied customers to other; (b) Showing the Security; (c) Online coupons, Online sale, or discount; (d) Commercial and advertisements.

#### ***4.3.1.2 Major Theme 2: Level of Improvement of Customer Trust in Small E-businesses***

The second major theme was formed from the third research question as the first two research questions were answered already by the first major theme, which had the same essence, and both concerned the impact of the of social media on consumer trust, if it did enhance the consumer trust. Upon the analysis, we found that overall, online feedback has helped to improve service of the businesses to the consumers; as sequenses that increase the level of improvement of consumer trust. The second major theme received 47% of the responses of the total sample population. Table 5 contains the

breakdown of the level of the improvement of customer trust in small E-businesses from social media aspect.

**Table 5: Level of the Improvement of Customer Trust in Small E-businesses from Social media Aspect**

| Major Theme and Sub-Themes                                    | Percentage of Occurrences |
|---|---------------------------|
| Online feedback helps improve service and trust level         | 47%                       |
| Allowed to build a bigger client base                         | 24%                       |
| Presence on social media gains trust                          | 12%                       |
| Decrease in trust as it can destroy a business                | 12%                       |
| Still depends on the integrity of the e-businesses            | 6%                        |
| Weak improvement; more work on the side of the business owner | 6%                        |

Overall, the second major theme of the study found that the level of enhancement of social media has reached the point where online feedback has improved the service of the businesses. We consider this as one of the two most vital findings of the qualitative study.

Participant 2 stated that “more information online faster for good or bad product/service,” and this implies that online communication has allowed for a quicker way of transacting with consumers, as well as reporting a good or bad service. Participant 3 added, “The future of social media is only going grow. Without social

media and attention, the products will not grow and sell. Customers trust and follow what others want.” Participant 4 shared how the open communication of having the “email address, phone number and so on” has allowed better communication, and thus, a better service. Participant 7 again emphasized the importance of reviews and feedback to improve trust and service: “Keep up the great reviews of my services, posts from happy clients.” Participant 10 admitted that “Reviews and feedback are key to success.” Participant 11 also commented on the “Efficient and timely” manner of service that social media marketing provides both the business owners and customers. Participant 12 added how customer trust and social media marketing are interconnected: “They are interrelated; the good reviews will pull in more clients.” Finally, participant 15 said: everything is moving towards digital age, more and more people use blogs and social network for feedback and opinions.”

From the responses of the participants, it can be inferred that business owners were confident in saying that their transfer and employment of social media networks have resulted to a more efficient service for the consumers. They shared how the advantages of using the social media allowed the businesses and consumers to maximize the promptness of communication as well as the transparency to improve the services they provide.

The first sub-theme that followed stated that social media marketing had influenced business as it allowed the businesses to build a larger client base, another strong indication of the social exchange theory. The perception of the 24% of the population explains how the use of social media has also expanded the audience of the businesses.

Participant 1 straightforwardly stated that social media marketing has allowed the participant to “build a bigger client base”; thus, trust from the customers must have been affected positively to see such positive results. Participant 12 again emphasized the interrelatedness of trust, social media marketing, and the increase of clientele: “they are interrelated; the good reviews will pull in more clients.” Participant 16 shared how customer trust and social media has allowed “Further invasive insight into trends.” Finally, participant 17 stated: “I think social media is currently taking the small business market by storm, whether it is personal Facebook posts, group postings, etc. it is everywhere.”

Four other sub-themes received less than 20% of the occurrences or responses of the sample population of the study. These were the perceptions of the level of improvement in terms of: (a) presence on social media gains trust; (b) decrease in trust as it can destroy a business; (c) still depends on the integrity of the e-businesses; and (d) weak improvement; more work on the side of the business owner.

The overall perception of the business owners was that social media marketing, if employed correctly, could indeed enhance the trust level of the consumers. When we asked the owners of the future of the social media marketing and its relationship with consumer trust, we found that an increased presence in social media pertains to an increased trust level from the consumers. 24% of the business owners believed that the continuous increased presence should indeed enhance the trust level of their target audience. Table 6 contains the breakdown of the perceptions of the business owners on the future of social media marketing and consumer trust.

**Table 6: The Future of the Social Media Marketing and Consumer Trust**

| <b>The Future of the Social Media Marketing and Consumer Trust</b> | <b>Percentage of Occurrences</b> |
|--|----------------------------------|
| Increased presence in social media, increased trust                | 24%                              |
| Improvement through feedback                                       | 19%                              |
| Building of a bigger client base                                   | 10%                              |
| More credible service  | 10%                              |
| Greater social media attention, enhanced business                  | 10%                              |
| Less presence on social media, can destroy business                | 10%                              |
| Further innovation in business                                     | 10%                              |
| More effort from consumers to improve presence                     | 5%                               |
| Efficient and timely service for businesses                        | 5%                               |

Participant 5 believed that the greater presence in social media shall increase the trust of the consumers: “The more present you are on social media the more trust you gain.” Participant 7 also echoed that once owners increase their social marketing presence and strategies, consumer trust shall follow: “Owners start to improve their social marketing to gain more consumers and trust. Small e-businesses will be more popular than before.” Participant 10 shared that customer relationship shall improve over time: “Like any business customer relationship it improves with time.” Finally, Participant 12 highlighted that social media will help online business improve trust over

time: “Social media will help small e-businesses growth by improving the consumer trust.”

The eight other perceptions on the future of online marketing and consumer trust received less than 20% of the occurrences or responses of the sample population of the study. These were the perceptions on the: (a) Improvement through feedback; (b) Building of a bigger client base; (c) More credible service; (d) Greater social media attention, enhanced business; (e) Less presence on social media, can destroy business; (f) Further innovation in business; (g) More effort from consumers to improve presence; and (h) Efficient and timely service for businesses.

#### **4.3.2 Quantitative Components**

For the quantitative portion of the study, percentages are calculated and used in the following categories: customer involvement in online shopping, groups of age, and social media engagement). These percentages allow us present the survey data in supportive and quantitative way to represent actual percentages gained under the defined categories. Similarly, arithmetic mean is used to identify the quantifiable elements of the survey and give the averages of the results. Mode or the “most frequently transpiring value in the data” is utilized to present random variables through numbers [13]. They will not only support the creation of any research category but also provide enough statistics to support the analysis presented in such categories. The analyzed data were presented in various forms. These include the following: (a) Tabulation; (b) Graphs; and (c) Charts.

Bar graphs and pie charts are used mainly to present the data visually. Considering that not only these types of graphs are easy to understand but also present the data in a concise method, our choice is justified. Here, bar graphs are subdivided into histograms and Pareto diagram to display quantitative and qualitative values respectively. The results are expected to show that social networks have an impact on customers' trust when shopping from small e-businesses.

Our survey was conducted on <http://www.qualtrics.com>. As we mentioned early in section 4.1, we had 192 participants who started the survey. For some reasons such as automatic terminated that we set up for age and country questions, participants didn't complete the survey or participants' answers did not count due to unrelated text to the questions; we used 104 samples. Table 7 below summarizes the demographic information of the 104 samples of active online consumers on social media.

**Table 7: Frequencies and Percentages Summary of Demographic Information**

|                              | Frequency <sup>1</sup> | Percentage |
|------------------------------|------------------------|------------|
| <b>Gender</b>                |                        |            |
| Male                         | 50                     | 48%        |
| Female                       | 54                     | 52%        |
| <b>Age</b>                   |                        |            |
| Less than 20                 | 0                      | 0%         |
| 20-25                        | 28                     | 27%        |
| 25-30                        | 23                     | 22%        |
| 30-40                        | 25                     | 24%        |
| Above 40                     | 28                     | 27%        |
| <b>Province of Residence</b> |                        |            |
| AB                           | 5                      | 5%         |
| BC                           | 18                     | 17%        |
| MB                           | 5                      | 5%         |
| NB                           | 3                      | 3%         |
| NL                           | 1                      | 1%         |
| NS                           | 6                      | 6%         |
| NT                           | 0                      | 0%         |
| NU                           | 0                      | 0%         |
| ON                           | 57                     | 55%        |
| PE                           | 2                      | 2%         |
| QC                           | 6                      | 6%         |
| SK                           | 1                      | 1%         |
| YT                           | 0                      | 0%         |

---

<sup>1</sup> Frequency = The number of participants

Among the 104 samples of active online consumers on social media, 50 (48%) were male and 54 (52%) were female. In terms of age, 28 (27%) were aged 20 to 25 years old, 28 (27%) were aged above 40 years old, 25 (24%) were aged 30 to 40 years old, and 23 (22%) were aged 25 to 30 years old. In terms of province of residence, more than half of the 104 active online consumers on social media (57; 55%) were from ON province on Canada.

#### ***4.3.2.1 Customer Involvement in Online Shopping***

Table 8 summarizes the frequency of online shopping and experience in online shopping of the entire samples of 104 active online consumers on social media. In terms of the experience of shopping online, almost half (46; 44%) of the 104 active online consumers on social media do online shopping often, 39 (38%) do online shopping sometimes, and 19 (18%) always do online shopping. In terms of the experience in online shopping, the majority (86; 83%) have positive experiences in online shopping.

**Table 8: Frequencies and Percentages Summary of Frequency of Shopping Online and Online Shopping Experiences**

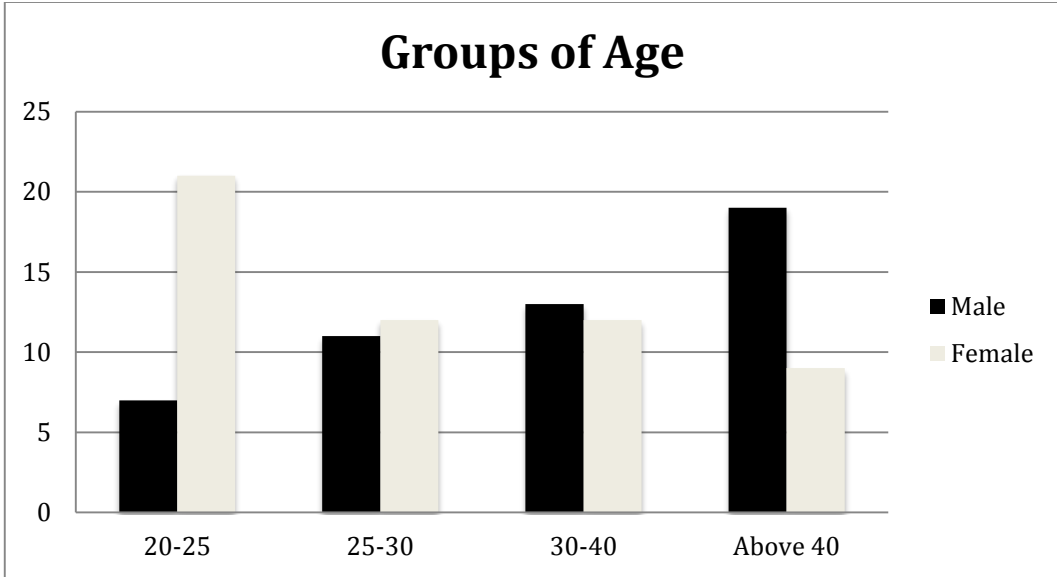
|  | Frequency | Percentage |
|--|-----------|------------|
| <b>How often do you shop online?</b>   |           |            |
| Never  | 0         | 0%         |
| Sometimes  | 39        | 38%        |
| Often  | 46        | 44%        |
| Always   | 19        | 18%        |
| <b>While shopping online, what kind of experiences have you encountered?</b> |           |            |
| Positive experiences?  | 86        | 83%        |
| Negative experiences?  | 18        | 17%        |

Table 9 summarized the cross tabulation of the frequency of shopping online and online shopping experiences by gender. Among male samples of active online consumers on social media, 19 (38%) were aged above 40 years old, 13 (26%) were aged 30 to 40 years old, 11 (22%) were aged 25 to 30 years old, and 7 (14%) were aged 20 to 25 years old. Among female samples of active online consumers on social media, 21 (39%) were aged 20 to 25 years old, 12 (22%) were aged 25 to 30 years old, 12 (22%) were aged 30 to 40 years old, and 9 (17%) were aged above 40 years old. Most of the samples of males were older than the female samples of active online consumers on social media. In terms of the cross tabulation of the frequency of shopping online by gender, there were more females who often (46%) and always (20%) shop online than

the males who often (42%) and always (8%) shop online. Females more frequently shop online than males. In terms of the cross tabulation of the online shopping experience by gender, the majority of the male (83%) samples, while all of the female samples (97%) have positive experience with it. Figures 3 to 5 graphically illustrate the finding of the summary by gender.

**Table 9: Cross Tabulation of Summaries of Frequency of Shopping Online and Online Shopping Experiences by Gender**

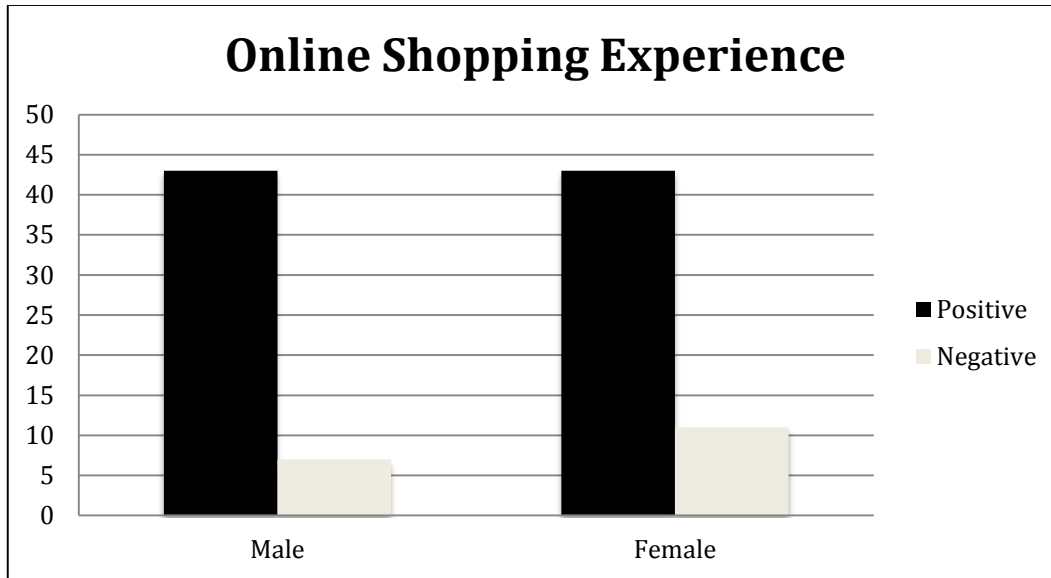
| <b>Gender</b>                      | <b>Male = 50</b> |                   | <b>Female = 54</b> |                   |
|------------------------------------|------------------|-------------------|--------------------|-------------------|
|                                    | <b>Frequency</b> | <b>Percentage</b> | <b>Frequency</b>   | <b>Percentage</b> |
| <b>Group of age</b>                |                  |                   |                    |                   |
| 20-25                              | 7                | 14%               | 21                 | 39%               |
| 25-30                              | 11               | 22%               | 12                 | 22%               |
| 30-40                              | 13               | 26%               | 12                 | 22%               |
| Above 40                           | 19               | 38%               | 9                  | 17%               |
| <b>Shop online</b>                 |                  |                   |                    |                   |
| Sometimes                          | 21               | 42%               | 18                 | 33%               |
| Often                              | 21               | 42%               | 25                 | 46%               |
| Always                             | 8                | 16%               | 11                 | 20%               |
| <b>Online shopping experiences</b> |                  |                   |                    |                   |
| Positive                           | 43               | 86%               | 43                 | 79%               |
| Negative                           | 7                | 14%               | 11                 | 21%               |



**Figure 3: Bar Graph of Age Groups by Gender.**



**Figure 4: Bar Graph of Frequency of Shopping Online by Gender.**



**Figure 5: Bar Graph of Online Shopping Experience by Gender.**

#### ***4.3.2.2 Groups of Age***

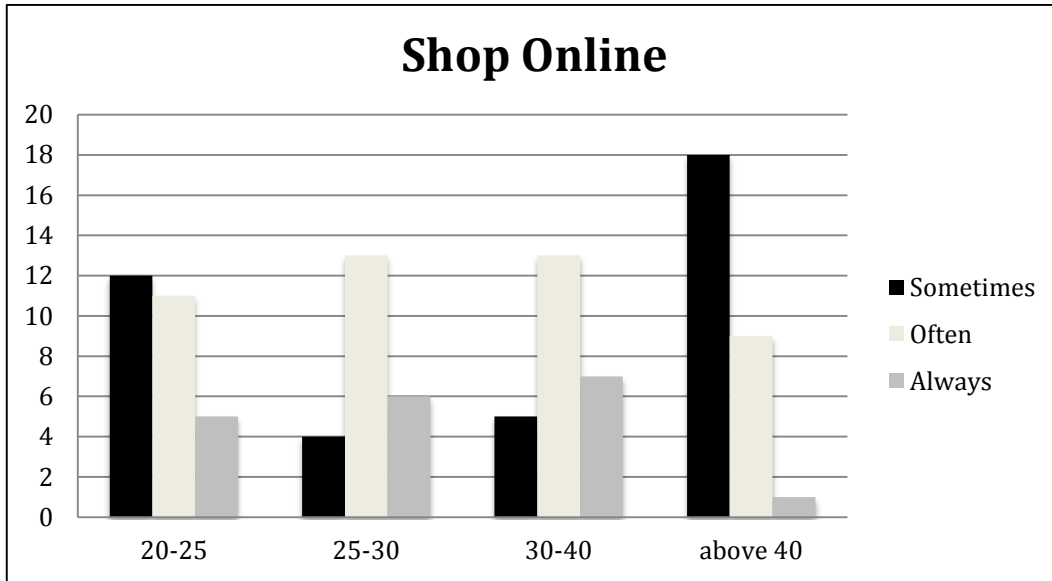
Table 10 summarized the cross tabulation of the frequency of shopping online and online shopping experiences by age. The highest frequency of respondents in terms of the frequency of online shopping among the samples of active online consumers on social media that were aged 20 to 25 years old was *sometimes* (43%). The highest frequency of respondents in terms of the frequency of online shopping among the samples of active online consumers on social media that were aged 25 to 30 years old was *often* (57%). The highest frequency of respondents in terms of the frequency of online shopping among the samples of active online consumers on social media that were aged 30 to 40 years old was also *often* (52%). The highest frequency of respondents in terms of the frequency of online shopping among the samples of active online consumers on social media that were aged 40 years old and above was *sometimes*

(64%). The samples of active online consumers on social media aged 25 to 30 years old and 30 to 40 years old were the frequent online shoppers.

93% of the samples of active online consumers on social media aged 20 to 25 have *positive experience* on online shopping, while 92% of the samples aged 25 to 30 have *positive experience*. 80 % of the active online consumer on social media who's their ages between 30 and 40 has *positive experience* on online shopping. The last age group, which is above 40, have the lest percentage (68%) in terms of the *positive experience*. Figures 6 and 7 graphically illustrate the findings of the summary by age.

**Table 10: Cross Tabulation of Summaries of Frequency of Shopping Online and Online Shopping Experiences by Age Group**

| Group of Age                       | 20-25/n=28 |            | 25-30/n=23 |            | 30-40/n=25 |            | Above 40/n=28 |            |
|------------------------------------|------------|------------|------------|------------|------------|------------|---------------|------------|
|                                    | Frequency  | Percentage | Frequency  | Percentage | Frequency  | Percentage | Frequency     | Percentage |
| <b>Shop online</b>                 |            |            |            |            |            |            |               |            |
| Sometimes                          | 12         | 43%        | 4          | 17%        | 5          | 20%        | 18            | 64%        |
| Often                              | 11         | 39%        | 13         | 57%        | 13         | 52%        | 9             | 32%        |
| Always                             | 5          | 18%        | 6          | 26%        | 7          | 28%        | 1             | 4%         |
| Total                              | 28         | 100%       | 23         | 100%       | 25         | 100%       | 28            | 100%       |
| <b>Online Shopping experiences</b> |            |            |            |            |            |            |               |            |
| Positive                           | 26         | 93%        | 21         | 92%        | 20         | 80%        | 19            | 68%        |
| Negative                           | 2          | 7%         | 2          | 8%         | 5          | 20%        | 9             | 32%        |
| Total                              | 28         | 100%       | 23         | 100%       | 25         | 100%       | 28            | 100%       |



**Figure 6: Bar graph of Frequency of Shopping Online by Age Group.**



**Figure 7: Bar Graph of Online Shopping Experience by Age Group.**

### ***4.3.2.3 Social Media Engagement***

Table 11 summarizes the social media engagement of the entire samples of 104 samples of active online consumers on social media. Fewer than half (40; 38%) of the 104 samples of active online consumers on social media have said that their experiences in online shopping have affected their trust in e-businesses. In terms of the preferred social media site among the 104 samples of active online consumers on social media, the majority or 93 (89%) out of the 104 samples of active online consumers on social media use Facebook, 34 (33%) use Twitter, 27 (26%) use LinkedIn, 20 (19%) use Pinterest, and only 14 (13%) use Instagram. More than half (68; 65%) of the 104 samples of active online consumers on social media follow any small E-businesses in social media. Only 39% (41) of the 104 samples of active online consumers on social media have followed a brand page that their friends are following. More than half (68; 65%) of the 104 samples of active online consumers on social media said that the use of the social network influence their online shopping (from small e-businesses) experience. More than half (56; 54%) of the 104 samples of active online consumers on social media agreed while 31 (30%) strongly agreed that trust in small e-businesses is the main concern for consumers. More than half (67; 64%) of the 104 samples of active online consumers on social media said that the use of social media by small e-businesses enhance trust. Lastly, more than half (64; 62%) of the 104 samples of active online consumers on social media agreed that social media is a solution to increase consumer trust in small e-businesses.

**Table 11: Frequency and Percentage Summaries About Social Media Engagement**

|  | Frequency | Percentage |
|--|-----------|------------|
| <b>Have your experience affected your trust in e-businesses?</b>   |           |            |
| Yes  | 40        | 38%        |
| No   | 64        | 62%        |
| <b>What is your preferred social media site?</b>   |           |            |
| Facebook   | 93        | 89%        |
| Twitter  | 34        | 33%        |
| LinkedIn   | 27        | 26%        |
| Instagram  | 14        | 13%        |
| Pinterest  | 20        | 19%        |
| Other  | 1         | 1%         |
| None   | 0         | 0%         |
| <b>Do you follow any small e-businesses in social media?</b>   |           |            |
| Yes  | 68        | 65%        |
| No   | 36        | 35%        |
| <b>Do you follow a brand page that your friends are following?</b>   |           |            |
| Yes  | 41        | 39%        |
| No   | 33        | 32%        |
| Sometimes  | 30        | 29%        |
| <b>Does the use of the social network influence your online shopping (from small e-businesses) experience?</b> |           |            |
| Yes  | 68        | 65%        |
| No   | 36        | 35%        |
| <b>Trust in small e-businesses is the main concern for consumers.</b>  |           |            |
| Strongly Agree   | 31        | 30%        |
| Agree  | 56        | 54%        |
| Disagree   | 16        | 15%        |
| Strongly Disagree  | 1         | 1%         |
| <b>In your opinion, does the use of social media by small e-businesses enhance trust?</b>                      |           |            |
| Yes  | 67        | 64%        |
| No   | 37        | 36%        |
| <b>Social media is a solution to increase consumer trust in small e-businesses.</b>                            |           |            |
| Agree  | 64        | 62%        |
| Neither Agree nor Disagree   | 32        | 31%        |
| Disagree   | 8         | 8%         |

### Have your experiences affected your trust in e-businesses?

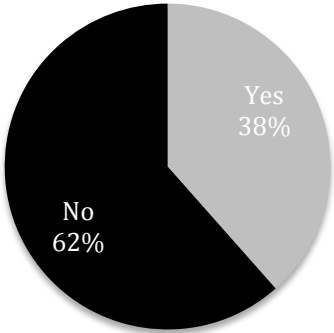


Figure 8: Pie Chart Summary of Responses on Experiences Affecting Trust in E-Businesses.

### What is your preferred social media site?

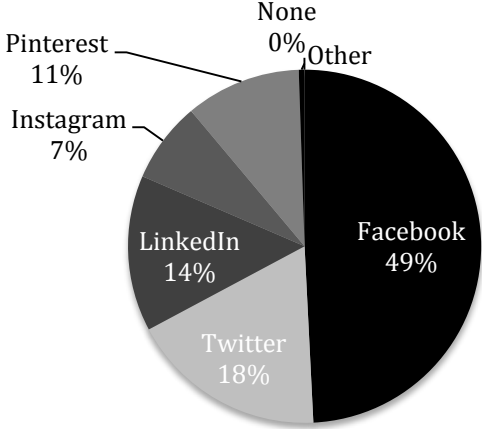
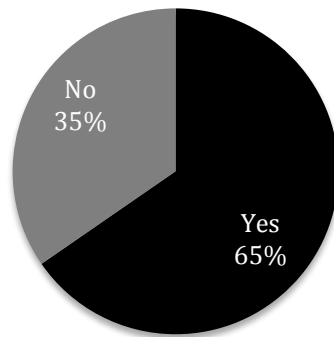


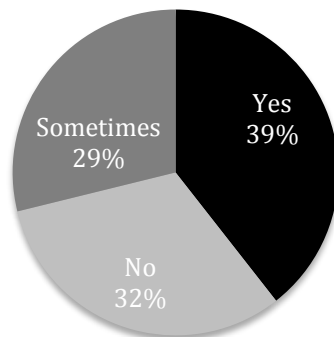
Figure 9: Pie Chart Summary of Preferred Social Media Sites.

**Do you follow any small E-businesses in social media?**



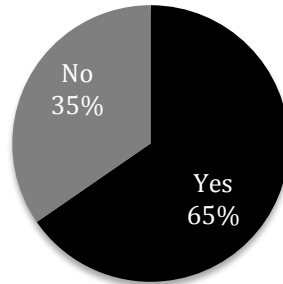
**Figure 10: Pie Chart Summary of Responses on Following Any Small E-Businesses in Social Media.**

**Do you follow a brand page that your friends are following?**



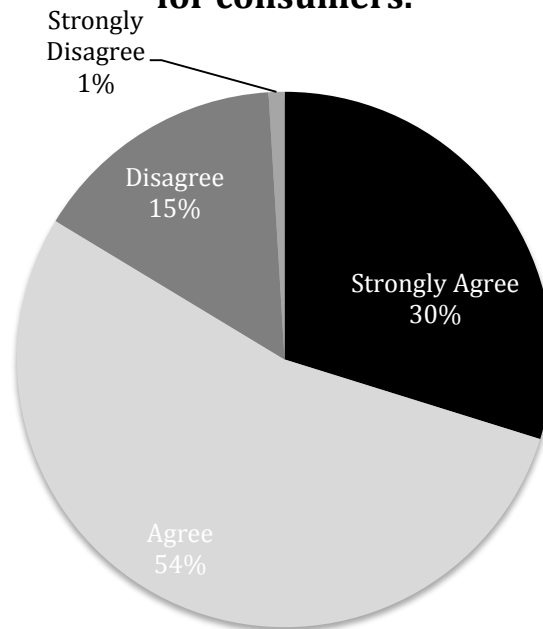
**Figure 11: Pie Chart Summary of Responses on Following Any Brand Page Friends Are Following.**

**Does the use of the social network influence your online shopping (from small e-businesses) experience?**



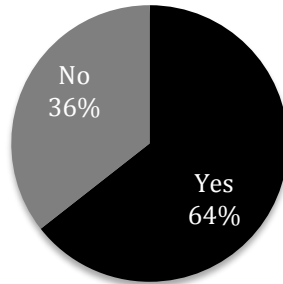
**Figure 12: Pie Chart summary of Responses on the Use of Social Network Influence Online Shopping Experience.**

**Trust in small e-business is the main concern for consumers.**



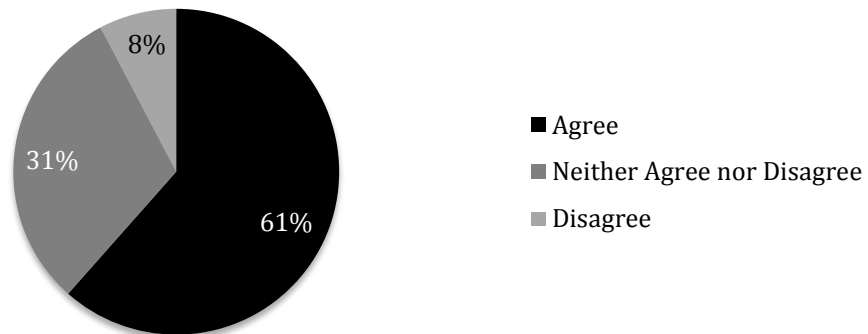
**Figure 13: Pie Chart Summary of Responses on Trust in Small E-businesses Is the Main Concern for Consumers.**

**In your opinion, does the use of social media by small e-businesses enhance trust?**



**Figure 14: Pie Chart Summary of Responses on Use of Social Media by Small E-Businesses Enhance Trust.**

**Social media is a solution to increase consumer trust in small e-businesses.**



**Figure 15: Pie Chart Summary of Responses on Social Media is a Solution to Increase Consumer Trust in Small E-Businesses.**

#### ***4.4 Mixed-Methods Results***

The findings of the qualitative portion indicate the positive effect that social media marketing has on the consumer trust of small businesses. The findings are directly generated from the perceptions and experiences of the small business owners and representatives. Through the analysis, it is found that the impact of social media marketing on consumers has improved trust while communication between e-businesses and consumers is present. Also, the merging of social media and e-commerce enhances customers' trust in small e-businesses. Finally, from the social media aspect, business owners have observed that online feedback has helped improved service, as sequences improve the level of consumer trust. Through the positive effects and influences of online social marketing, business owners believed that clients are more satisfied; thus, the social exchange theory can be applied. Once satisfaction with the small e-businesses is achieved or exceeded, then the business relationship and exchange shall continue and develop further. However, participants also found that the biggest challenge in this new trend is the lack of trust of the consumers with the small online sellers. Business owners could also foresee how the continuous increase of presence in social media can indeed increase and improve the relationship and trust of both parties.

As for the quantitative results of the study, fewer than half (40; 38%) of the sample of 104 active online consumers on social media have said that their experiences in online shopping have affected their trust in e-businesses. More than half (67; 64%) of the sample said that the use of social media by small e-businesses enhances trust. Lastly, more than half (64; 62%) of the sample agreed that social media is a solution to increase consumer trust in small e-businesses.

Upon the analysis of the two components of the study, it can then be inferred from the results gleaned from the responses of the small e-businesses owners and online consumers that social media marketing has indeed affected and changed the trend of the way business is conducted today. Based on the findings, the responses of the business owners as well as the consumers both indicate that social media is now used as a reference to gather information about products and services of small e-businesses. The power of social media has also allowed customers and small e-businesses to build relationships and establish trust from the constant communication that they have. This pertains to the active communication through which trust and confidence with one another is built.

## **CHAPTER 5: Discussion**

This chapter provides a discussion on the findings in relation to the literature available on the subject. Also, the advantages of our study are present in this chapter. In addition, we present some observed challenges. The purpose of the study was to discover the relationship between social media and the development of customer trust. To achieve this purpose and address the research questions stated in Section 1.3, a mixed-method study was performed as described in the previous chapter. The first part of our findings presents the qualitative results from the interviews with the e-businesses owners, and the second part shows the quantitative results from the online surveys with the consumers.

### ***5.1 Interpretation of the Findings***

As discussed in Section 2.1.4, the social exchange theory states that the interaction of human beings is a “resource exchange”. The theory believes that parties institute relationships with an intention of gaining benefits or incentives from one another. However, it was assumed that trust is critical if the parties expected to benefit from another. The social exchange theory then explains that the trade of social and material resources not only constructs the bases of human society but also is also essential for its “reasonable working” (Section 2.1.4). Therefore, the expected exchange is only possible if there is trust and confidence established between the two parties

involved. Upon the analyses of the two resources and methods employed, it can be supposed that the social exchange theory is constantly employed between the business transactions of the business owners and consumers. In particular, as stated in Chapter 2, small businesses create relationships with customers on social media with a reward in mind. The reward is to gain customer trust and loyalty that translates into business success. The positive result of the initial business interaction shall also lead to follow-up transactions; as a bonus to the successful initial interaction that the two parties had. These ideas agree with both the qualitative and quantitative findings of the study.

According to what was discussed in Section 2.1.5, relationship marketing goes beyond attracting customers to purchase the product. It is concerned with taking care of the customer by maintaining their profiles and monitoring buying patterns. This concept focuses on providing value and importance to customers [35]. In our study, it is discovered that business owners have observed these concrete modifications in business upon their shift to online marketing. Business owners reported how they have seen *improved trust, as constant communication is present*. This major theme pertains to the increased trust of consumers as the two parties have the opportunity to build relationships mainly by communicating with each other online. Owners can satisfy their consumers by providing significant information about the products that they intend to purchase. Consumers can then ask for more information as needed by communicating and seeking answers from the owners through different social networks.

This major theme is followed by the other experiences as a result of doing business online with an *improved trust based on customers using social media as references to check the credibility and trustworthiness of online businesses*. Another

notable experience was *an improved trust based on customers using social media to voice their opinions*, with the freedom to comment on and share their experiences and perceptions of the products. Another palpable effect of and use of social media marketing is *an improved trust from advertising quality products and the observation that such advertising is good for business*. Finally, business owners have seen an improved trust by expanding the reach of their audience, knowing how wide the audience stretch of the different social media networking sites are.

From the social media aspect, business owners have observed that social media has positively welcomed online feedback and this has helped to improve the service. Again, with social media, business owners were allowed to build a larger client base as the presence of social media has fostered trust. Meanwhile, a minority of the interviewed business owners admitted that some costumers comment on the business social media accounts and give bad or fake feedback about some product or services, which has decreased other consumers' trust as it can negatively affect and even destroys a small e-businesses who has not yet built its name and reputation to their audience. . Owners also believed that the positive effect of the online marketing still depends on the integrity of the e-businesses with the costumers. Finally, another minority of the small e-businesses owners believe that the shift to online business is a weak improvement and needs more work on the side of the e-businesses owner for an assured positive business outcome.

From the quantitative results of the study, the results revealed how social media still has a significant effect on the trust of the consumers, given that more than half of the population believes that it can increase consumer trust upon usage. The consumers also

revealed that they have started to shift to the new strategy as they agreed that this is the solution to having transparency and timely communication with the businesses they would want to have transitions with.

## ***5.2 The Advantages of the Study***

Consumers and small e-businesses owners will benefit from this study in that, the positive impact of social media on customer trust has been identified, and remediation strategies been availed. The following advantages were then foreseen:

- (1) Some of the remediation strategies would involve the improvement of trust and security issues as well as the opportunity to serve customer better with the chance to report damaged products or the customers being unsatisfied with the services of the small e-businesses.
- (2) Consumers will have the opportunity to outline their challenges and their views on how the challenges can be developed and answered by the small e-businesses owners. For example, the ease of usage of such services would give customer ability to conduct their business fluently on the Internet but many of the websites may not focus on that.
- (3) Small e-businesses will benefit from the study in that they will identify effective means of using social media to positively improve their services to consumers. The small e-businesses will also increase their client bases through efficient social network marketing plan, and also build their trust among their customers.

- (4) Small business owners gain knowledge of the consumers' trust and social media. So, they can improve their relationships with their customers. This shall then affect the future of online business positively, with more and more customers satisfied with the advancement of online business and marketing.

### ***5.3 Limitations***

Our study experienced some difficulties and problems regarding collecting data. First, given the variety of the small business owners and customers needed for the study, a language barrier may have developed as Canada consists of many ethnicities with a population speaking different languages. To counter this problem, the questionnaire and surveys were designed in a simple and basic language. Secondly, some individuals in the sample pool did not respond to the data collection strategies used in this research. To overcome this problem, our research relied on a large sample pool so that if some people would not respond to the data collection techniques, we still had enough material for analysis. Another potential problem that participants may have noticed in the data collection method, especially in the quantitative section, was the lack of space for expressing their views. Thus, the qualitative approach was also utilized so that small business owners can explain and strengthen the views of their counterparts, or the customers. Given that business owners and customers' perceptions and answers were collected, we ensured that their answers were not biased in favor to what we preferred. To achieve this, we refrained from leading the participants and respondents to certain

answers that would benefit the study; instead, we gave the participants and respondents the freedom to provide their personal perceptions and answers without any help.

## **CHAPTER 6: Conclusions and Future Work**

### **6.1 *Conclusions***

This study discusses the impact of social networks on consumer trust in small e-businesses. The purpose of the study is to determine the impact of social media on customer trust in small businesses' e-commerce today. To address the purpose of the study, a qualitative thematic analysis on the interviews with small business owners was conducted as well as a quantitative analysis on the online surveys with consumers. From the analyses, a triangulation of the findings was performed and allowed the discovery of how the two sets of groups interact and build trust through the new strategy of business.

From the qualitative findings, we were able to establish that business owners have observed an increase of trust between the small e-businesses and the consumers upon the employment of the new strategy or online marketing. The increasing of trust was attributed to the ability of the social media networks to communicate the wants and needs of the clients to the business owners and to hear their feedbacks. As a result, service is improved and clients are satisfied. Although positive advantages and effects were observed, the business owners interviewed still believed that there is still a lack of trust coming from the consumers which they believe should be addressed going forward. The business owners stated that with an increased presence in social media, trust and relationship between the two parties shall be created. The quantitative findings also had similar results where we found how consumers have also seen an improved trust and relationship upon the use of social media as a business tool.

In conclusion, we can assume that our findings render the study successfully, as all three research questions, together with the main purpose of the study were addressed through the extensive findings using both the qualitative and quantitative analyses. We were able to present unbiased findings by reporting how the majority of the online business owners believed that online marketing has indeed achieved in gaining the trust of their consumers. However, much work and responsibility from the owners were still required, as admitted by the owners themselves, as there are still inadequacies and barriers given the strategy is fairly new. It can be concluded from both the findings of the method that the business owners as well as the consumers have found online marketing to be an effective way of doing business and that the trust of the consumers depends on the references and experiences they gain and form from doing business with the business owners, exemplifying the social exchange theory.

## **6.2 Future Work**

We identify a number of future work directions as follows:

- (1) A study could be conducted based on our study to find the main factors behind the positive impact of social networks on consumer trust. That will give clearer idea about how to improve the relationship between e-businesses and consumers. Moreover, the main factors could play an important role in the websites and social media development.

- (2) Another study on how to build effective strategy for small e-businesses to manage the social networks as marketing tools could be conducted as our work has offered the basic findings for such study.
- (3) Some small e-businesses owners complained that fake reviews on their products or services from fake costumers badly affected their business. To help address such a problem, future study about how to control and manage consumers' behavior to avoid fake reviews could be done. This will reduce the malicious users who use social media to harm a business. Also, it will create huge change on the relationship between costumers and e-businesses. Our study could be used as a reference as it provides useful information about customer trust, social media and small e-businesses owners.

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## Appendix A: Ethics Approval

File Number: H11-14-13

Date (mm/dd/yyyy): 02/09/2015



**Université d'Ottawa** **University of Ottawa**  
Bureau d'éthique et d'intégrité de la recherche Office of Research Ethics and Integrity

### Ethics Approval Notice Health Sciences and Science REB

#### Principal Investigator / Supervisor / Co-investigator(s) / Student(s)

| <u>First Name</u> | <u>Last Name</u> | <u>Affiliation</u>                   | <u>Role</u>        |
|-------------------|------------------|--------------------------------------|--------------------|
| Thomas            | Tran             | Engineering / Electrical Engineering | Supervisor         |
| Naseem            | Hamoud           | Engineering / Electrical Engineering | Student Researcher |

File Number: H11-14-13

Type of Project: Master's Thesis

Title: The Impact of Social Networks on Consumers' Trust in Small E-Businesses

| <u>Approval Date (mm/dd/yyyy)</u> | <u>Expiry Date (mm/dd/yyyy)</u> | <u>Approval Type</u> |
|-----------------------------------|---------------------------------|----------------------|
| 02/09/2015                        | 02/08/2016                      | Ia                   |

(Ia: Approval, Ib: Approval for initial stage only)

Special Conditions / Comments:  
N/A

## **Appendix B: Consent Form for Interview**

### **Consent Form for Participation in Research Project**

#### **Interview**

***Title of the study:*** The Impact of Social Networks on Consumer Trust in Small e-Businesses

***Conducted by:***

Naseem Hamoud, a Master 's Student in the Electronic Business Technologies under Prof. Thomas Tran supervision, School of Electrical Engineering and Computer Science, Faculty of Engineering.

***Invitation to Participate:*** I am invited to participate in the abovementioned research study conducted by Naseem Hamoud under Prof. Thomas Tran supervision.

***Purpose of the Study:*** The purpose of the study is to find the relationship between social media and e-commerce activities and the impact it will have on customers' trust in small e-businesses.

***Participation:*** My participation will consist in being the respondent in a 15 min semi-structured interview. It uses both closed and open-ended questions. The interview will be scheduled at date/time that is convenient for me. If I agree I might be asked to participate in a brief follow-up interview to clarify any response from the initial interview. In addition, I agree / don't agree for the interview session to be recorded, saved and used for the study proposes by the researcher.

***Risks:*** I have received assurance from the researcher that my participation in this study will not involve any risk.

***Benefits:*** My participation in the interview of this study will provide a good source to establish viewpoints which people relevant to small e-business practices share. This will ensure stability and completeness of the research.



## **Appendix C: Consent Form for Online Survey**

### **Consent Form for Participation in Research Project**

#### **Online surveys**

The first page of the online survey will have the form bellow:

***Title of the study:***

The Impact of Social Networks on Consumer Trust in Small e-Businesses

***Conducted by:***

Naseem Hamoud, a Master 's Student in the Electronic Business Technologies under Prof. Thomas Tran supervision, School of Electrical Engineering and Computer Science, Faculty of Engineering.

***Invitation to Participate:*** you are invited to participate in the abovementioned research study conducted by Naseem Hamoud under Prof. Thomas Tran supervision.

***Purpose of the Study:*** The purpose of the study is to find the relationship between social media and e-commerce activities and the impact it will have on customers' trust in small businesses.

***Participation:*** Your participation will consist in being the respondent in a 15 min online survey. It uses both closed and open-ended questions. If you wish to participate in this study, please click "I agree" icon to complete this online questionnaire. Your decision to complete and submit this survey will be interpreted as an indication of your consent to participate.

**Benefits:** Your participation in the interview of this study would provide a good source to establish a rating-based analysis to understand how the customers of small e-business practice feel about it. This will ensure stability and completeness of the research.

**Confidentiality and anonymity:** The information you will share will remain strictly confidential. It will be used only for identifying different customers' experiences with small e-businesses and that confidentiality will be protected. All data in this survey will be anonymous; please don't provide your name or any personal information. The only person who will have access to the research data is Naseem Hamoud.

**Conservation of data:** Electronic records will be downloaded from the survey software after the survey period. They will be password protected. The files will be conserved for 5 years after completion of the project. After the 5 years the files will be destroyed.

**Voluntary Participation:** you are under no obligation to participate. If you choose to participate, you may refuse to answer questions that you do not want to answer. Given the anonymous nature of this survey, if you decide to withdraw from the research after having submitted the questionnaire we will not be able to find it and destroyed. So we will use your data.

**Acceptance:** By clicking "I agree" icon by you is agreement from you to participate in the above research study

Participants should print a copy of the consent form to keep for their personal records.

Your participation is very valuable for my research and I appreciate your help.

- Agree
- Disagree (If the participant select disagree, automatically will terminated from the online survey)

## Appendix D: Interview Questions

### Proposed Questionnaire for Small E-Businesses Owners

My research project is about the impact of social networks on consumer trust in small e-businesses. The purpose of the study is to find if the relationship between the social media and e-commerce activities impact the customer trust in small businesses.

Your participation is very valuable for my research and I appreciate your help.

Q1. Province you live in

Q2. Type of e-business you provide

Q3. How many employees does your company have?

- 1-4 (2)
- 5 -10 (4)
- 11 -20 (5)
- 21 -50 (6)

Q4. For how long have you been in operation?

- One year (1)
- 2-5 years (2)
- 6-10 years (5)
- 11-15 years (3)
- More than 16 years (4) \_\_\_\_\_

Q5. According to the business owners, what challenges do customers face when shopping online especially from small business? (Kindly list below)

Q6. How often do you use the social media to market your products?

- Rarely
- Sometimes
- Frequently

Q7. Which social media site/sites do you prefer to use to market your products? (You can chose more than one answer.)

- Facebook
- Twitter
- Linked-in
- Instagram
- Pinterest
- Other \_\_\_\_\_

Q8. How successful has been the use of the social network in marketing your products online?

- Not Successful
- Slightly Successful
- Moderately Successful
- Very Successful
- Extremely Successful

Q9. What challenges did you face to capture an online market via social media?

Q10. Does social media marketing impact your customer trust? How?

- Never
- Low
- Moderately
- Highly

Q11. To what extent do you use social media to gain customer trust?

- Never
- Low extent
- Moderate extent
- High extent

Q12. Do customers give feedback on products and services through social media?

- Yes
- No
- Sometimes

Q13. Does customer feedback helps you to learn more about customer trust and social media marketing techniques for your business? If yes please give an example?

- Yes

No

Q14. How customer's trust could be built by using social media?

Q15. In your perspective, could you explain the future of social media marketing and customer trust?

May we follow up with you if we have any additional questions? Please provide your email?

Yes \_\_\_\_\_

No

## Appendix E: Online Survey Questions

### Q1. Gender

- Male
- Female

### Q2. Age

- Under 20 survey)
- 20-25 Years
- 25-30 Years
- 30-40 Years
- Above 40 Years

### Q3. Country

- Drop down menu

### Q4. Province of Residence

- AB (1)
- BC (2)
- MB (3)
- NB (4)
- NL (5)
- NS (6)
- NT (7)
- NU (8)
- ON (9)
- PE (10)
- QC (11)
- SK (12)
- YT (13)

Q5. How often do you shop online?

- Never
- Sometimes
- Often
- Always

Q6. While shopping online, what kind of experiences have you encountered?

- Positive experiences?
- Negative experiences?

Q7. Have your experiences affected your trust in e-businesses?

- Yes
- No

Q8. What challenges you have experienced when shopping from small e-businesses?  
(Kindly list the challenges in the space provided below)

Q9. What is your preferred social media site? (You can choose more than one)

- Face-book
- Twitter
- Linked-In
- Other \_\_\_\_\_

Q10. Do you follow any small e-businesses in social media?

- Yes
- No

Q11. Do you follow a brand page that your friends are following?

- Yes
- No
- Sometimes

Q12. How much you rely on social media to make purchase decisions from small E-businesses?

- Never
- Low extent
- Moderate extent
- High extent

Q13. Does the use of the social network influence your online shopping (from small e-businesses) experience? If yes (is it positive or negative influence?)

- Yes (1) \_\_\_\_\_
- No (2)

Q14. Trust in small e-business is the main concern for consumers.

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

Q15. In your opinion, does the use of social media by small e-businesses enhance trust?

- Yes
- No

Q16. Social media is a solution to increase consumer trust in small e-businesses.

- Agree
- Neither Agree nor Disagree
- Disagree

Q17. Please, give your recommendations to build your trust on the small E-businesses on the Internet.