

A STUDY ON IMPACT OF PERCEIVED USEFULNESS AND TRUST ON INSTAGRAM IN MUMBAI

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Abstract

With the growing emphasis on digital technology, there has been a drastic shift of consumers from traditional marketplace to social media. Today companies strive for getting more and more engagement from their potential consumers on digital space. The researcher has tried to understand the impact of perceived usefulness of social media and trust with special reference to Instagram by conducting a quantitative survey among online consumers of Mumbai between the age group of 17-60 years of age through non-probability sampling method. All of these data were further analysed using the partial least squares-structural equation modeling (PLS-SEM) method using Smart PLS 4 software. The study suggested there is a positive correlation between perceived usefulness and trust on social media. So, the companies, need to improve the perception of their products and services on social media so that the perceived utility can be able to build trustworthiness among the people.

Keywords: Impact, social media, perceived usefulness, trust, consumer behaviour, structural modelling.

Introduction

Consumer behaviour is a complex and multifaceted phenomenon, encompassing decision-making that encompasses the acquisition, utilization, assessment and disposal of various goods and services (Khan, 2006). It is influenced by a range of factors, such as cultural, subcultural and value-based factors, demographics, households and reference groups, which all contribute to the external system of the family and society. Additionally, the internal system of the consumer includes their emotional state, personality and motivations for purchase, perception, and acquired memory, all of which contribute to the development of attitudes and needs. Marketing activities are often influential in influencing consumer behavior. Buying behaviour is governed by a variety of factors, including the individual thinking process, perception and attitude, the steps taken in decision-making, interactions with family, friends and peers, and the selection of a brand based on price, distinctive features and appeal.

Consumer behaviour is all about what you buy, how you buy it, when you buy it, and how much you spend. Nowadays, it is all about convenience. Due to advancement of technology, online consumers are on the rise. You can get product details, quantities, and quality info with just a few

clicks and you can easily compare prices. You can also get feedback on products and services by looking at comments and reviews. You can also check status updates and the quality of customer service. Plus, there are lots of different online payment options, so it's easy to shop online and keep track of your order (Mukherjee, 2009)

Gone are the days when traditional marketing would work. Today with digitalization, companies are optimizing use of social media in order to inform their potential consumers about their products and services. They are able to connect with the consumers and engage with them instantly with variety of blogs, networking platforms and various promotional strategies (Mangold & Faulds, 2009)

Literature Review

Perceived Usefulness

Perceived usefulness is defined as a perception of a person about utility of a technology that improves an individual or team's performance (Malik & Annuar, 2021). It is a belief of benefits of using a system (Davis, 1989). It refers to assessment done by consumers regarding whether or not a particular product or service will make an effect on to their lives with respect to its utility (Amin et al., 2014). Customer perception is a major factor in how successful a company is, especially if their business relies heavily on technology. If customers think that a new product or technology won't make them perform better or give them any extra value over what they're already using, they might be hesitant to buy or use it.

Perceived Usefulness and Trust

Marketing and Branding:

In the world of marketing and branding, the relationship between perceived usefulness and trust is of utmost importance. Marketers can leverage this insight by crafting campaigns that highlight the practicality and utility of their products or services. By doing so, they not only appeal to consumer needs but also lay the foundation for trust, making it more likely for customers to choose their offerings over competitors.

Technology Adoption:

In the realm of technology adoption, this correlation is highly relevant. When introducing new technologies, applications, or software to the market, perceived usefulness is often a decisive factor. As users recognize the value and practicality of these innovations, trust in the technology increases. This trust is critical for widespread adoption and long-term success.

Interpersonal Relationships:

Trust is not limited to business or technology. In interpersonal relationships, the perceived usefulness of a friend, partner, or colleague can greatly influence trust. People tend to place their trust in those they believe to be dependable and supportive. This correlation explains why individuals are more likely to trust someone who consistently offers help, guidance, or companionship.

Information and Media:

The correlation between perceived usefulness and trust is also applicable in the realm of information and media. People are more likely to trust sources of information that they perceive as credible and informative. This can affect their choices in news outlets, online sources, and even social media platforms. Entities that consistently provide useful, reliable, and accurate information are more likely to gain and maintain trust among their audience.

Challenges and Considerations:

Perceived Usefulness Can Be Subjective:

Perceived usefulness can vary significantly from person to person. What one individual finds highly useful, another may not. This subjectivity can pose challenges in predicting and influencing trust, as it depends on the individual's unique perceptions and needs.

Maintaining Trust Is an Ongoing Effort:

Trust, once established, requires ongoing effort to maintain. If an entity fails to consistently deliver on its perceived usefulness, trust can quickly erode. Therefore, sustaining trust over time is a critical challenge that requires continual commitment.

Trust Can Be Fragile:

Trust is delicate and can be easily shattered. A single negative experience or a breach of trust can outweigh past positive interactions. Therefore, it is essential for entities to act with integrity and reliability to preserve trust.

Impact of Perceived Usefulness on Social Media

The results of these papers suggest that the degree to which a user perceives social media as useful is affected by a variety of elements. (Kim & Sin, 2017) suggests that the user's coping style, purpose, and features interact to determine the degree to which the user perceives the usefulness of a social media platform. Ryu (2020) focuses on the role of video content platforms in determining the usefulness of a user's social media experience. It finds that the attributes associated with the usefulness of a video content platform, such as the playability of the content, the timeliness of the content, and the reliability of the provider, all play a role in the perception and usefulness of the platform. (Basuki et al., 2022) studied the influence of excessive use on the user's social media use and it was found to have a positive effect on the user's perceived usefulness and essential information, as well as on the user's behavioural intention. (Malik & Annuar, 2021) conducted a study to understand the precedents of the use of social media and the user's perceived enjoyment, connection, and trust. They found that all the factors played a role in the level of use of social media, with the perceived usefulness mediating the relationship.

Perceived usefulness and positive consumer review along with overall pricing and brand image affect online hotel booking. Online reviews has the most impact on hotel bookings (LY & Le-Hoang, 2020)

Research Methodology

The researcher has conducted a quantitative survey of 610 respondents using Non Probability Convenience Sampling among consumers in Mumbai to understand the relationship between perceived usefulness and trust of social media with special reference to Instagram. Bootstrapping is a nonparametric procedure that allows testing the statistical significance of various PLS-SEM results such path coefficients, Cronbach’s alpha.

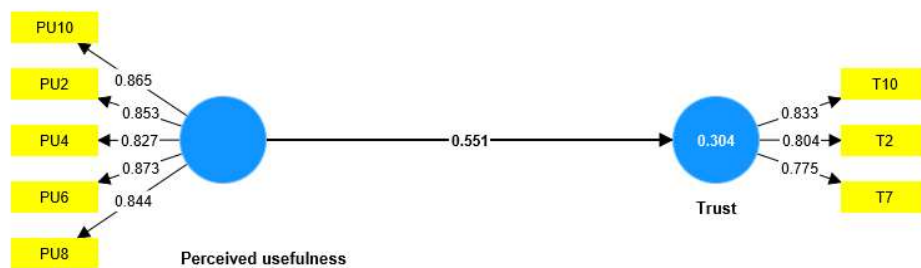
Hypothesis

- Ho- There is no correlation between Perceived Usefulness and Trust on social media.
- Ha- There is positive correlation between Perceived Usefulness and Trust on social media.

Discussion and Analysis

The researcher used Pls structural equation modeling (PLS- Sem 4) that uses sequence of regressions in terms of weight vectors.

Perceived Usefulness and Trust



	Perceived Usefulness	Trust
Perceived Usefulness	1.000	0.551
Trust	0.551	1.000

Outer Loadings

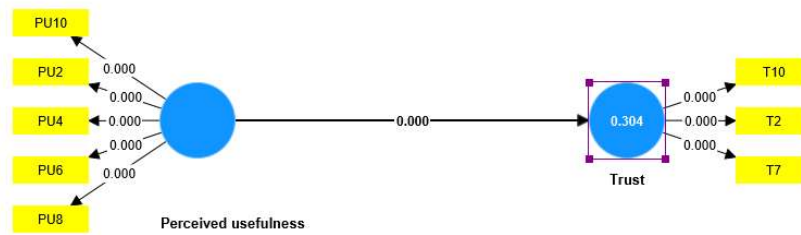
	Perceived Usefulness	Trust
PU10	0.865	
PU2	0.853	
PU4	0.827	
PU6	0.873	
PU8	0.844	
T10		0.833
T2		0.804
T7		0.775

The outer loadings of perceived usefulness and trust are more than 0.7 which suggests that there is a considerable impact of both factors perceived usefulness and trust on each other.

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Perceived usefulness	0.906	0.911	0.930	0.727
Trust	0.729	0.733	0.846	0.647

A general accepted rule is that Cronbach's alpha value greater than 0.7 indicates an acceptable level of reliability. Since Cronbach's alpha of Perceived Usefulness is 0.906, Cronbach's alpha of Trust is 0.729, we can conclude that the alpha values have acceptable level of reliability.

Path coefficients (Bootstrapping)



	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P Values
PU10 <- Perceived Usefulness	0.865	0.864	0.013	65.886	0.000
PU2 <- Perceived Usefulness	0.853	0.853	0.016	53.558	0.000
PU4 <- Perceived Usefulness	0.827	0.826	0.022	36.947	0.000
PU6 <- Perceived Usefulness	0.873	0.873	0.011	79.904	0.000
PU8 <- Perceived Usefulness	0.844	0.844	0.017	49.295	0.000
T10 <- Trust	0.833	0.833	0.023	36.289	0.000
T2 <- Trust	0.804	0.804	0.020	40.959	0.000

T7 <- Trust	0.775	0.773	0.031	24.464	0.000
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	Original sample (O)	Sample mean(M)	Standard Deviation (STDEV)	T-statistics (O/STDEV)	P-values
Perceived Usefulness -> Trust	0.551	0.553	0.035	15.948	0.000

Null Hypothesis (Ho)- There is no correlation between perceived usefulness and trust on social media.

The correlation between Perceived Usefulness and Trust is 0.551.

Using one sample T test, p value is 0.000 which is less than 0.05. Hence we conclude that there is a positive correlation between perceived usefulness and trust.

The Intricate Relationship between Perceived Usefulness and Trust

In the realm of human psychology and behaviour, understanding the connections between different variables is vital for predicting and influencing individuals' decisions and actions. One such critical relationship is the correlation between perceived usefulness and trust, with a coefficient of 0.551. This intriguing correlation sheds light on the complex interplay between these two essential constructs and has far-reaching implications for various domains, including marketing, technology adoption, and interpersonal relationships.

Conclusion

It was found that consumers perceived usefulness of Instagram as a platform is good as they find it easier to discover new products and services, get new shopping ideas, buy products, search for new products, it helps in assessing the products and the medium is easier to search for the products and services of their choice.

As far as trust factor of Instagram is concerned, consumers felt that the information posed on Instagram is honest and sincere, it fulfills the commitment and also there is truthfulness with regards to the products and services they sell via the medium.

Thus, the moderately strong positive correlation between perceived usefulness and trust is a fascinating insight into the dynamics of human psychology and decision-making. It underscores the importance of delivering value and utility in various domains, from marketing and technology adoption to interpersonal relationships and information dissemination. Recognizing and leveraging this correlation can lead to more successful and trust-driven interactions, benefiting both individuals and businesses. However, it is crucial to be mindful of the subjectivity of perceived usefulness and the ongoing effort required maintaining trust, as these factors play a crucial role in the dynamics of this relationship.

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