

Building Consumer Trust and Loyalty through Social Commerce- An Empirical Study among Urban Millennials in Selected Districts of Karnataka

Dr.Archana M.V¹, Sanchitha .M.S²

¹Associate Professor, Hindustan College, Mysore

²Assistant Professor, Daksha First Grade College , Mysore

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ABSTRACT

With the increasing popularity of social commerce platforms, understanding what drives consumer loyalty has become vital. The research is based on responses from 129 millennials, focusing on the influence of trust and engagement on loyalty and the role of demographic variables such as district. Statistical analysis, including correlation, regression and ANOVA, reveals that neither consumer trust nor engagement significantly influences loyalty, while district-level differences do impact consumer loyalty. These findings suggest that region-specific and experience-driven strategies are more effective than traditional trust-building approaches for enhancing consumer loyalty in social commerce. This study provides valuable insights for marketers and platform developers aiming to target millennial users in diverse urban settings.

Keywords: Social Commerce, Consumer Trust, Consumer Loyalty, Consumer Engagement, Urban Millennials, Karnataka, Digital Shopping Behaviour, Demographic Influence, ANOVA, Social Media Marketing.

INTRODUCTION:

In recent years, **social commerce** has emerged as a dynamic and influential part of e-commerce, blending power of social media with online shopping to create interactive, engaging and personalized consumer experiences. Unlike traditional platforms allows users to discover, evaluate and purchase products directly through social media interactions, peer recommendations, influencer endorsements and user-generated content. As digital connectivity grows, **urban millennials** a tech-savvy and socially active consumer group are increasingly engaging with social commerce platforms for their shopping needs.

In the Indian context, particularly in **urban centers like those in Karnataka**, this shift is accelerating due to increased smartphone penetration, digital payment adoption and social media usage. However, with the vast number of options and growing concerns about data privacy, **building consumer loyalty and trust** has become a critical challenge to brands and platforms. While trust is essential for reducing perceived risk in online transactions, **loyalty ensures repeat engagement and long-term value**. Furthermore, **consumer engagement** through likes, shares, reviews and interactions plays an important aspect in determining trust and influencing purchasing behaviour.

Despite the popularity of social commerce, research that examines how **consumer trust and engagement translate into loyalty**, especially among **urban millennials in diverse Indian regions like**

Karnataka. The objective of the study is to fill that research gap by empirically investigating the relationships between trust, engagement and loyalty and assessing how **demographic variables such as district** influence these dynamics. The outcomes are expected to provide actionable inputs for businesses, marketers, platform developers aiming to enhance consumer relationships and loyalty in the rapidly evolving social commerce landscape.

Review of Literature:

Hajli (2015) found that reviews and recommendations significantly fosters consumer trust, which positively influences purchase intentions. **Kim and Park (2013)** emphasized that social interactions on commerce platforms enhance trust, which in turn mediates consumer loyalty. **Zhou (2011)** argued that initial trust is a more powerful predictor of consumer behaviour than perceived risk, especially in mobile commerce contexts. **Yahia et al. (2018)** concluded that active engagement and interaction in social commerce strengthen trust and brand loyalty. **Chen and Shen (2015)** demonstrated that social support and perceived usefulness enhance trust and influence buying decisions. **Ng (2013)** pointed out that millennials value peer influence and transparency, which contribute to trust formation in digital shopping platforms. **Shin (2013)** examined the role of perceived credibility and found it to be a key factor in the development of loyalty among young digital consumers. **Gan and Wang (2017)** found that personalized engagement strategies build emotional trust and foster

customer retention. **Pentina et al. (2013)** emphasized that social commerce platforms must enhance relational and structural trust to ensure repeat buying. **Lin et al. (2019)** concluded that community-driven interactions, trust, and perceived enjoyment significantly contribute to loyalty in social commerce ecosystems.

Research Gap:

There is limited empirical research on how consumer trust and loyalty are formed among urban millennials in India, especially across culturally diverse regions like Karnataka. Past studies have focused on global or generalized contexts, with insufficient attention to demographic influences such as district, gender, and income. Additionally, the influence of consumer engagement on belief remains underexplored in Indian millennial context. This study aims to bridge the gaps through a localized, demographic-specific analysis.

Research Questions:

1) Does the district-wise demographic variable significantly affect consumer loyalty in social commerce among urban millennials?

Research Objectives:

1. To study the influence of consumer trust on loyalty in social commerce among urban millennials.
2. To analyze the impact of consumer engagement on trust formation in social commerce platforms.
3. To assess whether district demographic variable significantly affect consumer loyalty.

Research Hypotheses:

H₀₁: "There is no significant relationship between consumer trust and consumer loyalty in social commerce".

H₀₂: "Consumer engagement has no significant effect on consumer trust in social commerce".

Reliability Statistics:

Table 1: Showing Reliability Statistics	
Cronbach's Alpha	N of Items
.790	18

Source: SPSS

The above table shows that the good level of internal consistency among the 18 items used in the questionnaire and the Cronbach's Alpha value is 0.790.

Profile of the Respondents:

Table 2: Showing Demographic Profile of Respondents (N = 129)

H₀₃: "There is no significant difference in consumer loyalty across different districts of Karnataka".

I. Research Design

It is a descriptive and analytical research. These methods were used to profile the respondents, while analytical methods helped test the hypotheses related to the impact of trust and engagement on loyalty.

II. Population and Sampling

The population for the study includes **urban millennials (aged 18–35 years)** residing in selected districts of Karnataka who actively use social commerce platforms.

Sample Size and Area

Total **129 valid responses were received** from the urban districts of Mysuru, Bengaluru Urban, Dharwad, Mangaluru, Hubballi and Other urban centers (as minor contributors).

Secondary data was referred from scholarly articles, research journals and reports to frame constructs and support theoretical models.

III. Research Instrument

The questionnaire comprised:

- a) **Section A:** Demographic details
 - b) **Section B:** Statements related to **Consumer Trust, Engagement, and Loyalty**
- Data analyzed using **SPSS software**. The following statistical techniques were used:
- a) **Descriptive Statistics** (Frequency, Percentages) for respondent profiling
 - b) **Pearson Correlation** to assess the relationship between variables
 - c) **Simple Linear Regression** to test the influence of trust on loyalty and engagement on trust
 - d) **One-Way ANOVA** to test differences in loyalty across districts

Variable	Category	Frequency	Percent (%)	Valid Percent (%)	Cumulative Percent (%)
Age	18–22	30	23.3	23.3	23.3
	23–27	38	29.5	29.5	52.7
	28–32	32	24.8	24.8	77.5
	33–35	29	22.5	22.5	100.0
Gender	Male	26	20.2	20.2	20.2
	Female	81	62.8	62.8	82.9
	Other	10	7.8	7.8	90.7
	Prefer not to say	12	9.3	9.3	100.0
District	Bengaluru Urban	21	16.3	16.3	16.3
	Mysuru	62	48.1	48.1	64.3
	Dharwad	22	17.1	17.1	81.4
	Mangaluru Hubballi	13	10.1	10.1	91.5
	Others	7	5.4	5.4	96.9
Occupation	Student	4	3.1	3.1	100.0
	Employed	26	20.2	20.2	20.2
	Entrepreneur	66	51.2	51.2	71.3
	Unemployed	31	24.0	24.0	95.3
Monthly Income	Below 10,000	6	4.7	4.7	100.0
	10,000–25,000	16	12.4	12.4	12.4
	25,001–50,000	44	34.1	34.1	46.5
	Above 50,000	36	27.9	27.9	74.4
		33	25.6	25.6	100.0

Source:

Data through structured questionnaire

The demographic profile of the respondents revealed a well-distributed representation of urban millennials across selected districts of Karnataka, aligning effectively with the study's objective. The majority of participants fall within the 23–27 age group (29.5%), followed by 28–32 (24.8%), 18–22 (23.3%), and 33–35 (22.5%), ensuring insights from a broad spectrum of the millennial population. Gender-wise, the sample is predominantly female (62.8%), with males (20.2%), other genders (7.8%) and those preferring not to disclose (9.3%) also contributing, indicating inclusivity and diversity. District-wise, respondents are largely from Mysuru (48.1%), followed by Dharwad (17.1%) and Bengaluru Urban (16.3%), ensuring geographic diversity across urban centers. In terms of occupation, a significant portion are employed (51.2%) and entrepreneurs (24%), reflecting financially active digital users, with students (20.2%) and a small portion of unemployed (4.7%) also represented. Regarding monthly income, most fall within the ₹10,000–₹50,000 range (62%), with 25.6% earning above ₹50,000, highlighting a financially capable demographic segment with potential for engagement in social commerce.

1st Hypothesis:

H₀= “There is no significant relationship between consumer trust and consumer loyalty in social commerce”.

H₁= “There is significant relationship between consumer trust and consumer loyalty in social commerce”.

Statistical tools such as **Pearson correlation and simple linear regression** were used to test the hypothesis. These tools were applied using SPSS software to ensure accurate and reliable hypothesis testing.

Table 3: Showing Correlations of Consumer Trust and Consumer Loyalty			
		Consumer Trust	Consumer Loyalty
Consumer Trust	Pearson Correlation	1	.059
	Sig. (2-tailed)		.504
	N	129	129
Consumer Loyalty	Pearson Correlation	.059	1
	Sig. (2-tailed)	.504	
	N	129	129

Source: Data through structured questionnaire

The Pearson correlation between consumer trust and consumer loyalty is 0.059, indicating a very weak positive relationship. The significance value is 0.504, which is greater than 5%, showing the relationship is not statistically significant. Hence, it failed to reject the null hypothesis.

Table 4: Showing Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.059^a	.004	-.004	.37874
a. Predictors: (Constant), Consumer Trust				

Source:

Data through structured questionnaire

The **R² value is 0.004**, meaning only **0.4%** of the variance in consumer loyalty is explained by consumer trust. The **Adjusted R² is negative**, indicating the model has **poor predictive value**.

Table 5: Showing test results of ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.064	1	.064	.448	.504 ^b
	Residual	18.217	127	.143		
	Total	18.282	128			
a. Dependent Variable: Consumer Loyalty						
b. Predictors: (Constant), Consumer Trust						

Source:

Data through structured questionnaire

The F-value is 0.448 with a significance value of 0.504, which is not significant. It means the regression model is not a good fit and consumer trust does not significantly explain consumer loyalty.

Table 6: Showing test results of Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.997	.186		16.073	.000	2.628	3.365
	Consumer Trust	.041	.061	.059	.670	.504	-.079	.160
a. Dependent Variable: Consumer Loyalty								

Source:

Data through structured questionnaire

The regression coefficient for consumer trust is 0.041 with a p-value of 0.504, showing it is not a significant predictor of consumer loyalty. The confidence interval also includes zero, confirming the result. There is **no significant relationship** between consumer trust and consumer loyalty. The **null hypothesis is accepted** and consumer trust does **not significantly influence** consumer loyalty in this context.

2nd Hypothesis

H₀= "Consumer engagement has no significant effect on consumer trust in social commerce".

H₁= "Consumer engagement has significant effect on consumer trust in social commerce".

Table 7: Showing Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.132 ^a	.017	.010	.55023
a. Predictors: (Constant), Consumer Engagement and Interactions				

Source:

Data through structured questionnaire

The R value is 0.132, indicating a very weak negative relationship between consumer engagement and trust. The R² is 0.017, meaning only 1.7% of the variation in consumer trust is explained by engagement. The Adjusted R² (0.010) also shows a weak and insignificant model fit.

Table 8: Showing test results of ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.679	1	.679	2.241	.137 ^b
	Residual	38.449	127	.303		
	Total	39.128	128			
a. Dependent Variable: Consumer Trust						
b. Predictors: (Constant), Consumer Engagement and Interactions						

Source:

Data through structured questionnaire

The F-value is 2.241 and the significance value is 0.137, which is **greater than 0.05**, indicating the regression model is not statistically significant. Hence, consumer engagement does not significantly affect consumer trust.

Table 9: Showing test results of Coefficients^a							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B
		B	Std. Error	Beta			Lower Bound Upper Bound
1	(Constant)	3.326	.204		16.325	.000	2.923 3.729
	Meanscore3	-.084	.056	-.132	-1.497	.137	-.196 .027
a. Dependent Variable: Consumer Trust							

Source: Data through structured questionnaire

The value for consumer engagement is -0.084 with 0.137, showing no significant effect on consumer trust. The 95% confidence interval includes zero, confirming that the variable is not a significant predictor.

Table 10: Showing Correlations of Consumer trust and Consumer engagement & interactions			
		Consumer Trust	Consumer Engagement and Interactions
Consumer Trust	Pearson Correlation	1	-.132
	Sig. (2-tailed)		.137
	N	129	129
Consumer Engagement and Interactions	Pearson Correlation	-.132	1
	Sig. (2-tailed)	.137	
	N	129	129

Source:

Data through structured questionnaire

The r value between consumer engagement and trust is -0.132 with a value of 0.137, indicating a very weak and non-significant negative relationship. Thus, the **null hypothesis (H₀)** **accepted** and no meaningful influence is found in this context.

3rd Hypothesis:

To test, the following null and alternative hypotheses are framed.

H₀= "There is no significant difference in consumer loyalty across different districts of Karnataka".

H₁= "There is significant difference in consumer loyalty across different districts of Karnataka".

To test the differences in consumer loyalty across districts, **One-Way ANOVA** was used as the primary statistical tool.

Table 11: Showing the test results of ANOVA					
Consumer Loyalty					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.267	5	.453	3.482	.006
Within Groups	16.015	123	.130		
Total	18.282	128			

Source:

Data through structured questionnaire

The ANOVA F-value is 3.482 with significance value of 0.006, which is less than 5%. This means there is a significant difference in consumer loyalty across the different districts of Karnataka. Therefore, the alternative hypothesis is accepted that district-wise differences in loyalty exist. The results indicate a **significant difference in consumer loyalty among respondents from different districts**. As variances are unequal, appropriate **post hoc tests (e.g., Games-Howell)** should be used to identify which districts differ significantly.

Major Findings:

1. Demographic Representation: The study comprised 129 urban millennial respondents with a balanced distribution across age, gender, occupation and income. The majority belonged to the 23–27 age group, were female, employed and earned between ₹10,000–₹50,000 per month. Respondents were mainly from Mysuru, Bengaluru Urban and Dharwad.

2. Trust and Loyalty Relationship: The Pearson correlation between consumer trust and consumer loyalty was very weak and not statistically significant. Regression analysis also showed no significant predictive value ($R^2 = 0.004$). Hence, consumer trust does not significantly influence loyalty in this context and the null hypothesis is accepted.

3. Consumer Engagement and Trust: The Pearson correlation between consumer engagement and trust was weak and negative ($r = -0.132$), with a non-significant p-value (0.137). Regression analysis further confirmed no significant effect of engagement on trust, with an R^2 of 0.017. Thus, the null hypothesis is accepted here as well.

4. District-Wise Differences in Loyalty: A significant difference in consumer loyalty across districts was found (ANOVA $F = 3.482$, $p = 0.006$). Therefore, the alternative hypothesis is accepted and district-wise factors are seen to influence loyalty levels. Variances being unequal suggest the need for post hoc testing (e.g., Games-Howell) for detailed group comparisons.

Suggestions:

1. Focus Beyond Trust: As trust alone does not significantly influence loyalty, platforms should explore other drivers such as user experience, personalized recommendations, influencer presence or peer reviews to build loyalty.

2. District-Specific Strategies: Since loyalty varies significantly across districts, regionally tailored marketing strategies should be adopted to address

local preferences, digital maturity and cultural expectations.

3. Reinforce Engagement Mechanisms: Though consumer engagement didn't significantly impact trust in this study, platforms can enhance interactive features like gamification, live Q&A, or brand collaborations to foster deeper emotional connections.

4. Strengthen Loyalty Programs: Instead of only focusing on trust, businesses should develop rewards, cashback, exclusive content or subscription-based loyalty models to retain millennial users.

5. Gender-Sensitive Engagement: With a majority of female participants, gender-responsive content and community-building initiatives should be implemented, focusing on products, services and narratives that resonate with women.

Conclusion:

The empirical findings of the study revealed that consumer trust alone not a significant determinant of loyalty in social commerce among urban millennials in Karnataka. Similarly, consumer engagement does not significantly influence trust, contrary to common assumptions. However, district-level differences in loyalty are significant, highlighting the role of local factors in shaping consumer behaviour. These insights suggest that social commerce platforms must go beyond traditional trust-building tactics and adopt more dynamic, regionally and demographically sensitive strategies to nurture loyalty.

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