



The Impact of Social Media Marketing Transparency on Consumer Trust and Online Purchase Intentions: A Case Study in Guntur, Andhra Pradesh

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ABSTRACT

This study investigated the relationship between social media marketing transparency and consumer trust and online purchase intention in a sample of respondents from Guntur, Andhra Pradesh. This study utilized a questionnaire data file. One header row was duplicated in the questionnaire data. After removing this row, 103 unique respondents remained. Each respondent completed questions regarding their profile, as well as 5-point Likert-style items assessing transparency, trust and purchase intention. Descriptive statistics, reliability estimates (Cronbach's alpha), Pearson correlation coefficients and ordinary least squares (OLS) regression models were utilized to analyze the data. Average ratings were 3.41/5 for perceived transparency, 3.39/5 for consumer trust and 3.37/5 for online purchase intention. Transparency was significantly correlated with trust ($r = 0.81, p < .001$) and purchase intention ($r = 0.84, p < .001$). Additionally, trust was significantly correlated with purchase intention ($r = 0.83, p < .001$). While the relationships identified in this study represent significant relationships in the present sample, the survey methodology does not allow for determining causality or inferring that the relationships identified in this sample exist for all consumers in Guntur. The findings of this study support the practical utility of providing consumers with accurate product information, clear offers, and transparent promotional communications.

Keywords: Social media marketing, marketing transparency, consumer trust, online purchase intention, digital advertising, Guntur.

1. Introduction of the Study

Social media platforms have emerged as a significant source of product discovery, brand communication, review generation (customer reviews), influencer promotion, and decision making regarding purchases made via e-commerce. As consumers browse social media, they will likely be exposed to sponsored posts by brands and/or influencers; video demonstrations of products; special offers and discounts; advertisements; and/or brand-generated content. Given that consumers are generally unable to examine products in person prior to purchasing them on-line, the level of transparency and credibility provided through digital channels can greatly influence how consumers evaluate a brand. In the context of this research project, social media marketing transparency refers to how clearly brands provide information about their promotional efforts including product features, pricing, discount availability, and applicable terms and conditions. Transparent communication enables consumers to clearly identify what is being promoted, and under which circumstances. Conversely, lack of transparency regarding sponsorship disclosure or incomplete information about a particular offer may cause uncertainty among consumers. Consumer trust refers to the degree of confidence consumers have in a brand's honesty, reliability, and ability to fulfill its promises. Online purchase intention refers to a survey participant's stated probability of considering, visiting, purchasing from or recommending a brand based upon their experience with the brand through social media. Although these two concepts are interrelated, they are distinctly separate: a stated intention or positive perception does not necessarily lead to an actual purchase. This research project was conducted in Guntur, Andhra Pradesh. The researcher utilized the available questionnaire data to investigate the relationships and perceptions among these variables.

2. Research Gap

The supplied research draft identifies many gaps in the prior literature. Previous studies on transparency tend to focus on individual elements (e.g., influencer disclosures or advertising disclosures), and rarely examine transparency in the context of other elements (e.g., disclosures, accuracy, pricing, discounts, and terms). Additionally, the draft states that trust and purchase intention have been examined extensively in prior studies; however, there is limited evidence regarding the combined effect of these two variables on the overall level of transparency in social media marketing. As a result, the authors identified a need for additional evidence regarding this gap specifically for consumers in Guntur. In order to address this gap, the authors conducted an empirical study examining the relationship between transparency, consumer trust, and online purchase intention using the same data. The results presented here are considered preliminary and should be interpreted as such.

3. Objectives of the Study

- To determine how consumers perceive the degree of transparency of social media marketing.
- To examine whether there is a correlation between the degree of social media marketing transparency and consumer confidence.
- To determine whether there is a correlation between the degree of social media marketing transparency and consumer intention to purchase online.
- To suggest whether there is a correlation between consumer confidence and consumer intention to purchase online.
- To identify which particular actions organizations can take to improve the degree of transparency of their social media communication.

4. Hypotheses

H0: The level of transparency in social media marketing has a positive effect on consumer trust.

H1: The level of transparency in social media marketing has a positive effect on consumers' intention to buy products/services online.

H2: Consumer trust has a positive effect on consumers' intention to buy products/services online.

H3: Consumer trust is the intervening variable that links the level of transparency in social media marketing to consumers' intention to buy products/services online. Hypotheses 1-3 were tested via correlation and regression. Hypothesis 4 was examined at the conceptual level and no formal mediation testing was performed (i.e. indirect effects testing) using bootstrapping confidence interval techniques. As such, hypothesis 4 could not be supported from these analyses.

5. Research Methodology

5.1 Research design

The researcher employed a quantitative, cross-sectional, descriptive-correlational research design. Data were collected from participants at a single point in time to investigate relationships among variables rather than to establish cause-and-effect relationships.

5.2 Sample design

The usable data set included 103 survey responses. The provided data file did not contain information about the sampling method employed (e.g., whether it was random) and therefore, the sample is considered to be a convenience/voluntary response sample when interpreting results. As such, the results could have been influenced by participant self-selection bias and therefore may not accurately reflect the characteristics of the entire population of Guntur.

5.3 Data collection

The data set provided in this study was derived from a structured questionnaire that had been exported into a comma separated value (CSV) file. The questionnaire contained questions regarding respondent characteristics, social media usage habits, ten transparency related factors, seven trust related factors among consumers, six online purchasing intention related factors and one general question about how important transparency is to the consumer. The researcher's draft indicated that Google Forms would be utilized for data collection.

5.4 Questionnaire preparation

Likert questions utilized a five-level response scale, with responses coded from 1 (Strongly Disagree) through 5 (Strongly Agree). Each construct score was determined by the average of all items that pertained to that particular construct. The repeated header in the first line of the CSV file was removed prior to conducting analyses. All other response lines were retained.

6. Data Analysis and Interpretation

6.1 Respondent profile

Profile variable	Category	Frequency	Percentage
Age	18–24	58	56.3%
Age	25–34	25	24.3%
Age	35–44	12	11.7%

Profile variable	Category	Frequency	Percentage
Age	Below 18	6	5.8%
Age	45 and above	2	1.9%
Gender	Male	51	49.5%
Gender	Female	43	41.7%
Gender	Prefer not to say	9	8.7%
Occupation	Student	60	58.3%
Occupation	Private employee	14	13.6%

The largest age group is 18–24 (58 respondents; 56.3%), and students form the largest occupational group (60; 58.3%). This profile indicates that the results are particularly shaped by younger respondents and students.

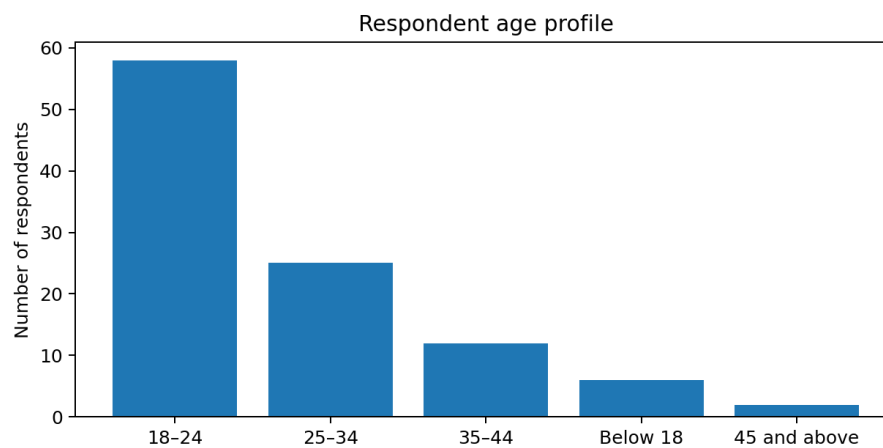


Figure 1. Age distribution of respondents.

6.2 Social media use and exposure

Measure	Response	Frequency	Percentage
Daily use	1–2 hours per day	47	45.6%
Daily use	2–4 hours per day	28	27.2%
Daily use	More than 4 hours per day	16	15.5%
Daily use	Less than 1 hour per day	12	11.7%
Most-used platform	Instagram	37	35.9%
Most-used platform	YouTube	29	28.2%
Most-used platform	WhatsApp	18	17.5%
Most-used platform	Facebook	14	13.6%

Instagram is the most frequently selected platform (37 respondents; 35.9%), followed by YouTube (29; 28.2%). In daily use, the most common response is 1–2 hours (47; 45.6%). Advertising exposure is mixed: “Sometimes” is the most frequent answer, while “Rarely” and “Very Often” are also common. This suggests respondents differ in how often they notice promotional content.

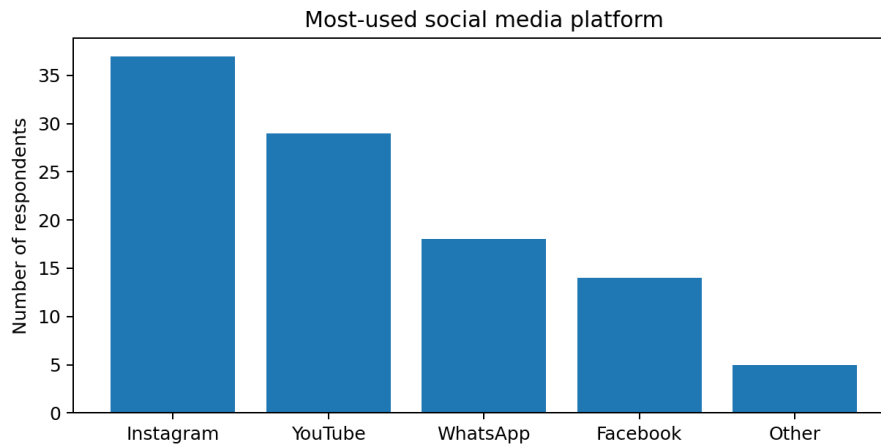


Figure 2. Most-used social media platform.

6.3 Overall construct scores

Construct	Mean (1–5)	Standard deviation	Observed range
Social media marketing transparency	3.41	0.76	2.30–4.90
Consumer trust	3.39	0.72	2.00–5.00
Online purchase intention	3.37	0.85	2.00–5.00

All three average scores are above the scale midpoint of 3.00, but only moderately so. Transparency has the highest mean (3.41), followed by trust (3.39) and purchase intention (3.37). This indicates a generally moderate-to-positive pattern, with meaningful variation between respondents rather than universal agreement.

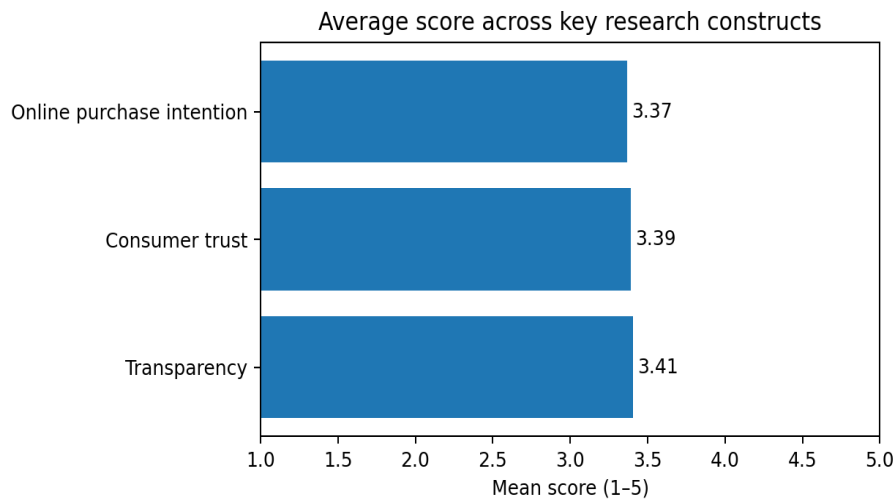


Figure 3. Mean scores across the three main constructs.

6.4 Perceived importance of transparency

Response	Frequency	Percentage
Moderately important	29	28.2%
Extremely important	27	26.2%
Very important	24	23.3%

Response	Frequency	Percentage
Not at all important	13	12.6%
Slightly important	10	9.7%

51 respondents (49.5%) rated transparency as very or extremely important. At the same time, 23 respondents (22.3%) chose one of the two lower importance categories. Responses therefore support the relevance of transparency, while also showing that it is not equally important to everyone.

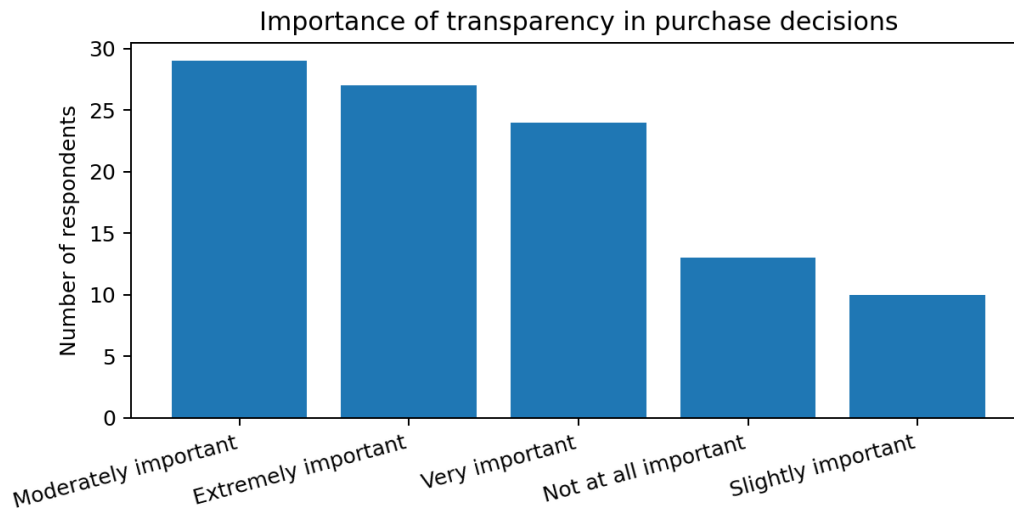


Figure 4. Respondents' stated importance of transparency.

6.5 Item-level analysis

Questionnaire statement (shortened)	Mean (1–5)
13. Brands clearly communicate discounts and special offers.	3.86
27. I am willing to visit an online store after seeing transparent product information on social med	3.63
21. I believe brands provide accurate information when they are transparent on social media.	3.62
8. Brands provide clear and understandable information about their products.	3.60
14. Brands provide accurate information about product features and benefits.	3.56
11. Social media advertisements provide enough information to understand the product.	3.55
20. I believe brands that clearly disclose sponsored content are more trustworthy.	3.52
29. I would recommend a brand if I had a positive and transparent online purchasing experience.	3.51

The highest rated transparency-related claim is that companies do a good job of providing their customers with sales/discounts and special offers (average rating = 3.86). The lowest rated transparency-related claim is that companies do a good job of making it clear when content is advertising or promotional (average rating = 2.97). These two differences in ratings indicate that consumers feel that companies are far better at telling them about offers than they are at identifying promotional content. Companies need to understand that consumers may not be able to tell the difference between organic/regular content and paid/promotional content. Of all the trust-related claims, the one that says transparent companies will provide accurate information received the highest average rating. Claims relating to whether the product claims correspond to what the product does received mixed ratings. A relatively large number of people indicated that they would be willing to go to a company's e-commerce site after seeing transparent information. However, a smaller number of people indicated that they thought they would be likely to purchase products advertised via social media. The fact that a significant number of people said that they might be willing to go to a company's website after seeing transparent information, but a smaller number of people said that they would likely purchase products promoted via social media, supports the theory that transparency may lead to increased interest/consideration, but it does not guarantee purchase.

6.6 Reliability analysis

Scale	Items	Cronbach's alpha	Interpretation
Transparency	10	0.755	Acceptable internal consistency for exploratory use
Consumer trust	7	0.592	Below common .70 guideline; interpret cautiously
Purchase intention	6	0.686	Below common .70 guideline; interpret cautiously

Cronbach's alpha is an internal-consistency indicator, not proof of validity. The transparency scale has acceptable exploratory consistency. The trust and purchase-intention scales are below the often-used .70 guideline, so their composite scores and relationships should be interpreted cautiously. Future questionnaire refinement and pilot testing are recommended.

6.7 Correlation analysis

Variable 1	Variable 2	Pearson r	p-value
Transparency	Trust	0.811	< .001
Transparency	Purchase intention	0.837	< .001
Trust	Purchase intention	0.832	< .001

All three relationships are positive and strong in this sample. Transparency and trust are correlated at $r = 0.811$; transparency and purchase intention at $r = 0.837$; and trust and purchase intention at $r = 0.832$. Each relationship is statistically significant at $p < .001$. Correlation does not establish cause and effect, and shared self-report measurement may inflate associations.

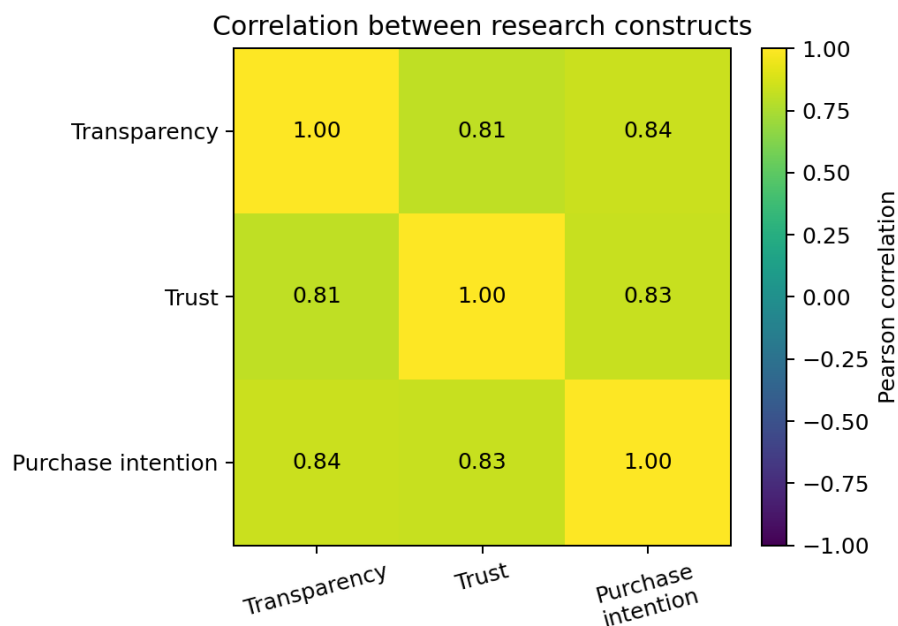


Figure 5. Correlation matrix for the main constructs.

6.8 Regression analysis

Model	Outcome	Predictor(s)	R ²	Coefficient(s)	p-value(s)
1	Consumer trust	Transparency	0.658	$\beta = 0.767$	< .001
2	Purchase intention	Transparency	0.701	$\beta = 0.929$	< .001
3	Purchase intention	Trust	0.692	$\beta = 0.976$	< .001
4	Purchase intention	Transparency + trust	0.769	β transparency = 0.528; β trust = 0.524	Both < .001

Model 1 showed that transparency is a positive predictor of trust ($R^2=0.658$), meaning that the model accounts for roughly 65.8% of the variability of the trust score in this study. Model 2 showed that transparency is positively associated with purchase intentions ($R^2=0.701$). Model 3 showed that trust was also positively associated with purchase intentions ($R^2=0.692$). When transparency and trust were entered into Model 4, both remained positive and statistically significant predictors. Model 4 had an R^2 value of 0.769, or approximately 76.9% of the variability of purchase intentions in this study. This finding supports the idea that both transparency and trust provide additional information regarding the prediction of purchase intentions. However, the cross-sectional design of this survey does not allow one to determine if the relationship between these variables exists over time.

Furthermore, this regression analysis is not considered to be a formal test of mediation.

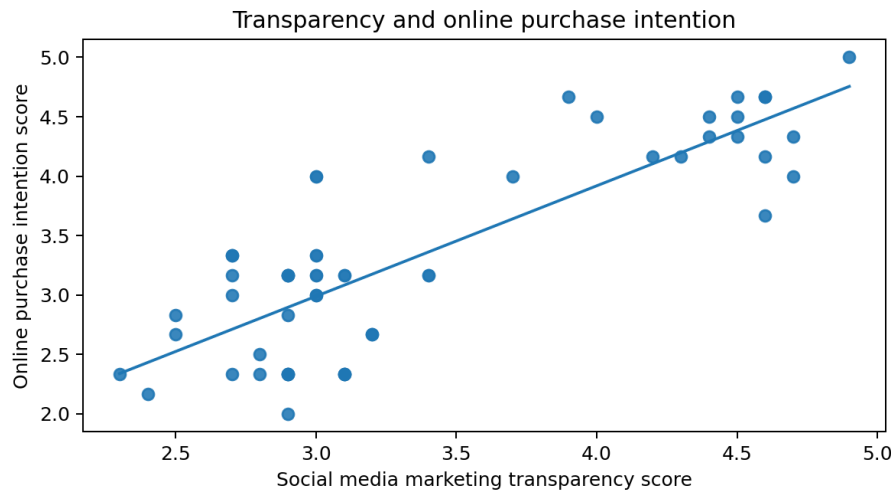


Figure 6. Scatter plot showing the positive association between transparency and purchase intention.

7. Hypothesis Results

Hypothesis	Evidence from analysis	Decision
H1: Transparency positively associated with trust	$r = 0.811$, $p < .001$; regression coefficient positive	Supported in this sample
H2: Transparency positively associated with purchase intention	$r = 0.837$, $p < .001$; regression coefficient positive	Supported in this sample
H3: Trust positively associated with purchase intention	$r = 0.832$, $p < .001$; regression coefficient positive	Supported in this sample
H4: Trust mediates transparency–purchase intention relationship	No formal indirect-effect/bootstrapped mediation test conducted	Not determined

8. Findings

- There were 103 usable responses in the final dataset once a duplicate row was removed from the header.
- The largest age group represented in this study was those aged 18-24 years old; they made up approximately 56% of all respondents.
- Students comprised the largest occupational group, representing approximately 58% of all respondents.
- The most popular social media site utilized by respondents was Instagram, representing approximately 36% of all respondents. The second most popular social media site used by respondents was YouTube, representing approximately 28% of all respondents.
- On average, respondents rated transparency, trust, and purchase intention as being somewhat higher than the mid-point. The average rating for transparency was 3.41, the average rating for trust was 3.39, and the average rating for purchase intention was 3.37.
- Transparency has a strong positive correlation with both trust and online purchase intention.
- Consumer trust has a strong positive correlation with online purchase intention. • Discounts clearly communicated to consumers are rated as having a relatively high level of clarity.

However, promotional content identified clearly is rated as having a relatively low level of clarity compared to other transparency items. • The scales for trust and purchase intention have a lower than desired level of internal consistency; therefore, there may be limited confidence in the composite scores.

9. Suggestions

- Clearly label paid partnerships, sponsored posts, affiliate promotions, and influencer collaborations.
- Show total prices, discount conditions, delivery charges, eligibility rules, and offer expiry dates in a readable format.
- Use specific and verifiable product claims; ensure photographs, videos, and descriptions match the product customers receive.
- Provide accessible links to complete product specifications, return policies, warranties, and terms and conditions.
- Train social media teams and influencers to distinguish opinions from factual claims and paid promotion.
- Monitor customer questions and complaints to identify information that consumers find unclear.
- Improve the questionnaire through pilot testing, clearer item wording, and additional items for trust and purchase intention.

10. Conclusion

The findings from the response data demonstrate that social media marketing's transparency and its effect on consumers' trust in a company, as well as an individual's intent to purchase online are all related positively. The majority of respondents indicated moderate positive views regarding social media marketing in general. Additionally, the regression results demonstrate that both transparency and trust were able to contribute significantly to understanding why consumers choose to buy products/services online.

Therefore, for companies this implies that companies need to communicate product information/promotions clearly, identify any commercial relationship that exists between them and third parties, and provide customers with clear explanations of their offers. Although these results may have some implications for how companies market their products/services using social media, they should be viewed cautiously due to the fact that the sample used in this study does not appear to be representative of the population as a whole. Additionally, the data collected from respondents was based upon self-reporting which means that there could be inaccurate responses. Finally, since the data collected was cross-sectional (i.e. at one point in time), it cannot be determined whether or not there are causal relationships among variables. Therefore, further studies are needed to determine the true relationship between social media marketing transparency/trust and consumer intent to purchase online.

Annexure A: Questionnaire Items Analysed

Respondent profile: age; gender; occupation; daily social media use; most-used platform; frequency of noticing social media advertisements/promotions.

A. Social media marketing transparency (Questions 7–16)

- Brands clearly label all of the promotional material they post on social media.
- Brands clearly articulate what is being sold (or offered) so that consumers can make an informed decision.
- Brands clearly indicate if a social media promotion is sponsored or part of a larger campaign involving an influencer.
- Brands are always honest when providing details about their products and/or services.
- The ads posted on social media have enough detail for consumers to learn about the products.
- Brands clearly state the price of the products they promote on social media.
- Brands clearly explain any discounts or special offers.
- Brands accurately describe how their products work and why people should buy them.
- Brands will always include important terms and conditions when advertising offers.
- Brands' transparency on social media is excellent.

B. Consumer trust (Questions 17–23)

- I have trust in brands that provide honest information via their social media channels.
- Providing honest information through social media creates an impression of greater trustworthiness for a brand.
- I feel confident purchasing products/services from brands that provide honest information online.
- I believe brands that openly disclose sponsored content are more trustworthy.

- I believe brands provide reliable information when they are honest and open about what they post on social media.
- I am more likely to develop a sense of confidence in a brand if it has social media content that represents the same product/service as what I receive.
- Trust in a brand is influenced by how transparent the brand is.

C. Online purchase intention (Questions 24–29)

I may be more likely to buy items advertised by companies through their social networks. I believe that being open about advertising practices via social media makes me want to make a purchase online. If a company provides honest and clear information through social media, then I will consider buying something from them. After viewing transparent item descriptions via social media, I will go to the company's website to look at the product. I am more likely to make a purchase from a company that I feel I can rely on as a result of our relationship through social media. I will also recommend a company to others if my experience with them was positive and transparent.

Limitations

The sample was not clearly defined. It was a cross sectional study with self-reported data. There were no demographic analyses conducted, nor any type of mediation analysis using bootstrapping. The Cronbach's alphas of both the trust and purchase-intention scales were less than .70, therefore additional research is needed to improve these scales prior to confirmation.

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The references listed above have been taken directly from your submitted research draft and must be checked for bibliographic accuracy prior to formal publication. Martin, K. D., Borah, A., & Palmatier, R. W. (2017). Data privacy: Effects on customer and firm performance. *Journal of Marketing*, 81(1), 36–58. Weismueller, J., Harrigan, P., Wang, S., & Soutar, G. N. (2020). Influencer endorsements: How advertising disclosure and source credibility affect consumer purchase intention on social media. *Australasian Marketing Journal*, 28(4), 160–170. Irshad, M., Ahmad, M. S., & Malik, O. F. (2020). Understanding consumers' trust in social media marketing environment. *International Journal of Retail & Distribution Management*, 48(11), 1195–1212. Matin, A., Khoshtaria, T., & Tutberidze, G. (2020). The impact of social media engagement on consumers' trust and purchase intention. *International Journal of Technology Marketing*. "What's done in the dark will be brought to the light: Effects of influencer transparency on product efficacy and purchase intentions." (2020). *Journal of Product & Brand Management*, 29(5), 675–688.