

Exploring the Causes of Authenticity Crisis in Social Commerce: Consumer Perspectives from Indonesia

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Abstract

The rapid expansion of social commerce has fundamentally transformed digital purchasing behavior while simultaneously intensifying concerns regarding the authenticity of online commercial interactions. Consumers are increasingly exposed to manipulated digital content, undisclosed commercial partnerships, and artificial intelligence (AI)-generated promotional materials, leading to a gradual erosion of trust within social commerce platforms. This study aims to explore the root causes of the authenticity crisis in Indonesian social commerce from consumers' perspectives and to identify strategic priorities for restoring digital trust. A descriptive qualitative approach was employed by integrating a systematic literature review with Focus Group Discussions (FGDs) involving experts in digital marketing, consumer behavior, and social commerce. The collected data were analyzed using a cause-and-effect (Fishbone) framework to identify multidimensional causal relationships, followed by the Urgency, Seriousness, and Growth (USG) matrix to prioritize critical determinants. The findings reveal that the authenticity crisis is primarily driven by three interconnected factors: non-transparent communication, fake customer reviews, and AI-generated promotional content without adequate disclosure. These issues significantly increase information asymmetry, weaken the credibility of digital information, and reduce consumer confidence in online purchasing decisions. The study suggests that restoring authenticity requires an integrated strategy emphasizing transparent communication, verified user-generated content, responsible AI governance, and stronger platform accountability. Theoretically, the findings extend the Resource-Based View and Signaling Theory by positioning digital authenticity as a strategic intangible resource for sustainable competitive advantage. Practically, this research provides a strategic roadmap for businesses, digital platforms, and policymakers to strengthen consumer trust and promote a more transparent, ethical, and sustainable social commerce ecosystem in Indonesia.

Keywords: Social Commerce; Digital Authenticity; Consumer Trust; Transparency; Artificial Intelligence; Signaling Theory; Resource-Based View.

1. INTRODUCTION

The rapid expansion of social commerce has fundamentally transformed the interaction between businesses and consumers by integrating purchasing activities into social media ecosystems (Grover et al., 2026; Patwa et al., 2025). While this transformation has generated unprecedented opportunities for personalized engagement and community-based marketing, it has simultaneously intensified concerns regarding the authenticity of digital interactions. Consumers are increasingly exposed to algorithmically curated content, sponsored recommendations, and user-generated reviews that often blur the distinction between genuine experiences and commercial persuasion.

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Consequently, authenticity has emerged as a critical determinant of consumer trust, influencing perceptions of credibility, purchase intention, and long-term customer relationships (Deng et al., 2025; Mäncher et al., 2023)

Indonesia represents one of the fastest-growing social commerce markets globally, driven by widespread smartphone adoption, affordable internet access, and the popularity of platforms such as TikTok Shop, Instagram, and WhatsApp Business. Despite remarkable growth in digital transactions, recent developments indicate an increasing level of consumer skepticism toward the authenticity of commercial content distributed through these platforms. Promotional messages that excessively emphasize persuasive narratives, manipulated testimonials, and paid endorsements are frequently perceived as lacking transparency, leading consumers to question the credibility of both sellers and digital creators. This shift presents a substantial challenge for local businesses that rely heavily on trust-based relationships to maintain competitiveness in the digital marketplace (Asaithambi et al., 2024; Fatorachian et al., 2025; Kumar et al., 2025; Paliszkiewicz et al., 2022)

The growing authenticity crisis is particularly significant within Indonesia's creative economy, where micro, small, and medium enterprises (MSMEs) increasingly depend on social commerce as their primary marketing and sales channel (Subekti et al., 2026). Although digital adoption has accelerated business accessibility and market reach, many enterprises struggle to establish meaningful consumer trust amid the proliferation of misleading information, fabricated product reviews, and overly commercialized influencer collaborations. The resulting decline in perceived authenticity has reduced consumer confidence, weakened engagement, and diminished the effectiveness of digital marketing investments. Such conditions threaten the sustainability of local businesses that possess limited financial resources and high dependence on digital consumer interactions (Li et al., 2024; Martínez-Peláez et al., 2023; Rosário & Dias, 2023).

The authenticity crisis extends beyond individual purchasing decisions and reflects broader structural challenges within the digital marketing ecosystem. Consumers increasingly evaluate brands not solely through product quality but also through consistency, transparency, ethical communication, and alignment between online representations and actual consumption experiences. When discrepancies emerge between promotional narratives and reality, consumers experience cognitive dissonance that encourages distrust, negative electronic word-of-mouth, and avoidance of future transactions. Consequently, maintaining authenticity has become an essential organizational capability that supports business resilience, strengthens customer loyalty, and enhances long-term competitive advantage within dynamic digital environments

Resource-Based View (RBV) theory provides an important theoretical foundation for understanding authenticity as an intangible strategic resource capable of generating sustainable competitive advantage (Lockett, et. al, 2009). From this perspective, authentic digital communication, transparent customer engagement, and credible brand reputation constitute valuable organizational assets that are difficult for competitors to imitate. Complementing this perspective, Signaling Theory explains that consumers rely on observable signals including honest product descriptions, balanced customer reviews, transparent pricing, and consistent brand communication to reduce information asymmetry during online purchasing. As digital signals become increasingly ambiguous due to commercialization and algorithmic amplification, consumers require stronger evidence of authenticity before developing trust and committing to purchase decisions. Therefore, authenticity functions not only as a communication attribute but also as a strategic capability that enables businesses to sustain consumer confidence in highly competitive social commerce environments.

In response to these emerging challenges, the primary objective of this study is to explore the underlying causes of the authenticity crisis experienced by consumers within

Indonesia's social commerce ecosystem. Specifically, this research seeks to identify the key factors that shape consumers' perceptions of authenticity and examine how these factors influence trust formation, engagement, and purchasing behavior. Furthermore, this study aims to develop a strategic framework that enables local businesses to strengthen authentic digital communication while preserving cultural relevance and consumer-oriented values. The findings are expected to contribute theoretically by extending Resource-Based View and Signaling Theory into the context of digital authenticity in social commerce. Practically, the study provides evidence-based recommendations for entrepreneurs, digital marketers, and policymakers seeking to foster a more transparent, trustworthy, and sustainable digital marketplace in Indonesia.

To achieve these objectives, this study employs a cause-and-effect analytical approach to systematically identify the interconnected factors contributing to the authenticity crisis in social commerce. The analysis categorizes causal factors into dimensions related to human behavior, communication practices, technological systems, organizational management, digital content, and external environmental influences. Mapping these relationships enables a comprehensive understanding of how multiple determinants collectively undermine consumer perceptions of authenticity and weaken trust within online commercial interactions. This systematic diagnosis facilitates the identification of priority areas requiring strategic intervention to improve the effectiveness of digital marketing practices. Ultimately, this study seeks to provide a strategic foundation for restoring authenticity as the cornerstone of consumer trust in Indonesia's social commerce ecosystem. The resulting framework is expected to assist business practitioners in designing transparent communication strategies, optimizing customer engagement, and strengthening authentic brand identities that resonate with local cultural values. Simultaneously, the findings offer valuable insights for policymakers in developing digital literacy initiatives, consumer protection mechanisms, and governance policies that encourage ethical marketing practices. Reinforcing authenticity within social commerce is anticipated to become a fundamental driver of sustainable digital business growth, stronger consumer confidence, and a more resilient digital economy in Indonesia.

2. THEORETICAL STUDY

2.1 Digital Authenticity and Consumer Trust in Social Commerce

Digital authenticity has become one of the most important determinants of consumer trust in social commerce, where purchasing decisions are increasingly influenced by interactions occurring within social media environments rather than conventional e-commerce platforms. Authenticity refers to consumers' perceptions that digital communication, product information, customer testimonials, and seller interactions genuinely represent reality without excessive manipulation or commercial exaggeration. This perspective is supported by Signaling Theory, which explains that consumers rely on credible and transparent signals to reduce uncertainty and information asymmetry in online transactions. Honest product descriptions, authentic user-generated content, transparent pricing, and consistent brand communication function as high-quality signals that strengthen trust and reduce perceived purchasing risk (Jayaprakash, 2025; Sun et al., 2025).

Recent studies demonstrate that authenticity has become increasingly difficult to maintain as algorithm-driven content, sponsored promotions, and commercial collaborations dominate social commerce platforms. Consumers are becoming more capable of distinguishing genuine recommendations from commercially motivated content, leading to higher skepticism toward promotional messages that appear overly persuasive or inconsistent with actual consumption experiences (Alsaeed et al., 2023; Lanero et al., 2020; Reimer & Benkenstein, 2018; Thompson & Malaviya, 2013). Within

the Indonesian context, rapid growth in social commerce has intensified competition among local businesses, encouraging increasingly aggressive promotional practices that often reduce communication transparency and ultimately weaken consumer trust. As consumers become more digitally literate, authenticity emerges not merely as a communication strategy but as a prerequisite for sustaining long-term customer relationships.

The researcher argues that digital authenticity should be understood as a strategic organizational capability rather than simply an element of marketing communication. Authenticity reflects the alignment between organizational values, communication practices, and actual customer experiences. Therefore, strengthening authenticity requires businesses to prioritize transparency, consistency, ethical communication, and culturally relevant interactions that reinforce consumer confidence within Indonesia's evolving social commerce ecosystem.

2.2 Consumer Skepticism toward Commercial Content in Social Commerce

Consumer skepticism represents a cognitive response that emerges when individuals question the credibility, honesty, or intentions underlying marketing communications encountered in digital environments. As consumers are continuously exposed to sponsored content, influencer endorsements, algorithmically promoted advertisements, and persuasive storytelling, skepticism has become an increasingly common psychological mechanism for evaluating information before making purchasing decisions. This phenomenon is closely associated with Persuasion Knowledge Theory (PKT), which explains that consumers develop knowledge about persuasive tactics over time, enabling them to recognize commercial intentions and critically evaluate marketing messages before accepting them as credible (Atiyah & Zaidan, 2022; Patwa et al., 2026; Reimer & Benkenstein, 2018; Skarmeas & Leonidou, 2013)

Empirical evidence indicates that skepticism toward social commerce continues to increase due to several interconnected factors, including excessive commercialization, repetitive promotional narratives, manipulated customer reviews, fake engagement, and insufficient disclosure of sponsored collaborations. Indonesian consumers increasingly rely on independent information sources such as community discussions, user-generated reviews, and peer recommendations rather than formal promotional campaigns. This behavioral shift reflects declining confidence in conventional digital advertising and highlights consumers' growing preference for authentic, experience-based information before completing online transactions.

The researcher views consumer skepticism not as a barrier to digital marketing but as an indicator of increasing consumer maturity within the digital marketplace. Consequently, businesses should interpret skepticism as constructive feedback requiring greater transparency, honest communication, and stronger ethical standards rather than relying solely on persuasive promotional techniques. Building consumer confidence therefore requires reducing information asymmetry through authentic and verifiable communication practices.

2.3 Social Commerce Communication and Authentic Consumer Experience

Social commerce extends beyond transactional activities by integrating communication, community participation, and purchasing behavior within social networking platforms. Unlike traditional electronic commerce, social commerce emphasizes interaction through live streaming, customer reviews, comment sections, user-generated content, and direct communication between sellers and consumers. This interactive environment creates opportunities for businesses to establish stronger emotional relationships while simultaneously exposing them to greater public scrutiny regarding communication authenticity. From the perspective of the Stimulus–Organism–

Response (S-O-R) Framework, authentic communication functions as an environmental stimulus that shapes consumers' cognitive and emotional evaluations before influencing purchasing behavior (Shin, 2013).

Previous studies suggest that authentic consumer experiences are created through transparent interactions, responsive communication, balanced product information, and visible customer participation rather than highly controlled promotional content. Conversely, misleading product demonstrations, excessive editing, hidden sponsorships, and inconsistent service experiences generate negative emotional responses that diminish consumer engagement and trust. Within Indonesia's highly social digital environment, authentic interaction has become increasingly important because purchasing decisions are strongly influenced by interpersonal communication and electronic word-of-mouth.

The researcher argues that authentic consumer experience constitutes a strategic competitive resource capable of strengthening long-term business sustainability. Businesses should therefore focus on facilitating genuine interactions, encouraging transparent customer participation, and maintaining consistency between digital communication and actual product performance. Such practices are expected to strengthen customer trust while creating sustainable competitive advantages within Indonesia's rapidly evolving social commerce landscape.

2.4 Root Causes of the Authenticity Crisis in Social Commerce

The authenticity crisis within social commerce is a multidimensional phenomenon resulting from the interaction of human, organizational, technological, communication, and environmental factors. Rather than emerging from a single determinant, declining consumer trust develops through the accumulation of interconnected deficiencies involving misleading communication, unethical promotional practices, inadequate transparency, technological manipulation, and changing consumer expectations. Understanding these complex relationships requires a systematic approach capable of identifying both direct and indirect causes contributing to authenticity deterioration across the digital marketing ecosystem.

Recent literature identifies several dominant factors contributing to authenticity degradation, including fabricated customer reviews, fake social media engagement, algorithm-driven visibility that prioritizes popularity over credibility, excessive dependence on sponsored content, inconsistent brand communication, and declining transparency regarding commercial partnerships (Theodorakopoulos et al., 2025). These factors collectively reduce consumer confidence by increasing uncertainty regarding the credibility of digital information. Simultaneously, intensified competition among local businesses encourages increasingly aggressive marketing practices that often sacrifice authenticity for short-term visibility and sales performance.

The researcher adopts the position that the authenticity crisis should be analyzed as a systemic problem rather than an isolated communication failure. Accordingly, this study employs a cause-and-effect analytical framework to comprehensively identify interconnected root causes across dimensions related to people, communication methods, technology, organizational management, digital content, and environmental influences. Through this multidimensional diagnosis, the study seeks to formulate strategic recommendations that enable local businesses to restore authenticity, strengthen consumer trust, and enhance the long-term sustainability of Indonesia's social commerce ecosystem.

3. RESEARCH METHOD

This study employs a descriptive qualitative research design to systematically explore the underlying causes of the authenticity crisis in social commerce from the perspectives of Indonesian consumers. The research is designed to capture consumers'

subjective experiences and perceptions regarding authenticity in digital commercial interactions, particularly within social commerce platforms such as TikTok Shop, Instagram Shop, and WhatsApp Business. The research process begins with an extensive review of recent scholarly literature published in reputable international journals, complemented by reports on Indonesia's digital economy and social commerce development. This literature review establishes the conceptual foundation for identifying the dimensions of digital authenticity, consumer trust, communication transparency, and online purchasing behavior. Secondary data concerning consumer behavioral trends, social commerce adoption, and digital marketing practices are also analyzed to provide contextual understanding of the authenticity challenges faced by local businesses.

To strengthen the credibility of the findings, the study incorporates Focus Group Discussions (FGDs) involving experts in digital marketing, consumer behavior, social commerce, and digital communication. These discussions are conducted to validate the conceptual categories derived from the literature while enriching the interpretation of authenticity-related issues through multidisciplinary professional perspectives. The involvement of experts enables triangulation between theoretical concepts and practical realities within Indonesia's digital marketplace, thereby reducing researcher bias and enhancing analytical rigor. Throughout the discussions, participants critically evaluate issues including communication transparency, authenticity of user-generated content, ethical digital marketing practices, algorithm-driven promotion, electronic word-of-mouth, and evolving consumer expectations toward trustworthy online interactions.

The principal analytical stage utilizes a cause-and-effect analysis to systematically identify and categorize the interconnected factors contributing to the authenticity crisis in social commerce. The authenticity crisis is positioned as the central phenomenon, while contributing causes are organized into several interrelated dimensions, including People (consumer digital literacy, seller credibility, influencer behavior), Methods (communication transparency, promotional strategies, disclosure practices), Materials (authenticity of digital content, customer reviews, product information), Technology (algorithmic content distribution, artificial intelligence-generated content, fake engagement), and Environment (platform competition, digital culture, regulatory environment, and consumer expectations). This systematic mapping enables researchers to visualize complex causal relationships among multiple determinants, facilitating comprehensive identification of the dominant factors that weaken consumers' perceptions of authenticity and reduce trust in social commerce environments.

To determine the relative importance of each identified causal factor, this study applies the Urgency, Seriousness, and Growth (USG) Matrix as a qualitative prioritization framework. Each determinant identified during the literature review and expert discussions is evaluated according to three criteria: Urgency, referring to the immediacy with which the authenticity issue requires strategic intervention; Seriousness, representing the magnitude of its impact on consumer trust, purchasing behavior, and business sustainability; and Growth, reflecting the likelihood that the identified problem will intensify as social commerce continues to evolve. Expert assessments are conducted using a five-point scoring scale, where higher scores indicate greater strategic importance. The cumulative USG scores generate a prioritized ranking of the root causes, providing an evidence-based foundation for formulating strategic recommendations aimed at strengthening digital authenticity, rebuilding consumer trust, and enhancing the long-term sustainability of Indonesia's social commerce ecosystem.

4. RESULTS AND DISCUSSION

4.1 Result

4.1.1 Fishbone Diagram

The analysis of this study commenced with the integration of findings derived from a comprehensive review of recent literature and expert validation conducted through Focus Group Discussions (FGDs) involving specialists in digital marketing, consumer behavior, and social commerce. This analytical process was undertaken to obtain a holistic understanding of the multidimensional factors contributing to the authenticity crisis in Indonesia's social commerce ecosystem. Considering that consumer perceptions of authenticity are shaped by complex interactions among technological, organizational, communicative, and behavioral factors, a systematic analytical framework is required to uncover the underlying causes rather than merely describing observable symptoms. Accordingly, a cause-and-effect analysis was employed to organize these interconnected determinants into a coherent structure, enabling the identification of dominant factors responsible for the erosion of authenticity and consumer trust in digital commercial interactions.

The central issue investigated in this study the authenticity crisis in social commerce is positioned as the primary effect requiring explanation. Various contributing factors identified through the literature review and expert discussions are systematically classified into several major dimensions, namely People, Methods, Materials, Technology, and Environment. The People dimension encompasses consumer digital literacy, seller credibility, influencer behavior, and ethical responsibility. The Methods dimension includes communication transparency, promotional strategies, sponsorship disclosure, and customer engagement practices. The Materials dimension focuses on the authenticity of digital content, customer reviews, product descriptions, and visual presentations. The Technology dimension captures the influence of recommendation algorithms, artificial intelligence-generated content, fake engagement, and platform automation, while the Environment dimension represents competitive market pressures, digital culture, platform governance, and evolving consumer expectations. Mapping these dimensions provides a comprehensive visualization of the causal relationships that collectively shape consumer perceptions of authenticity within social commerce.

The resulting cause-and-effect diagram illustrates that the authenticity crisis cannot be attributed to a single determinant but instead emerges through the interaction of multiple interconnected factors across individuals, organizations, digital technologies, communication practices, and the broader online environment. This visualization facilitates the identification of dominant causal factors that subsequently become the basis for determining strategic priorities through the Urgency, Seriousness, and Growth (USG) assessment. Consequently, the diagram serves not only as an analytical instrument for diagnosing the authenticity crisis but also as a strategic foundation for developing evidence-based recommendations aimed at strengthening authentic communication, rebuilding consumer trust, and enhancing the sustainability of Indonesia's social commerce ecosystem. Figure 1 presents the cause-and-effect diagram illustrating the root causes of the authenticity crisis in social commerce from the perspectives of Indonesian consumers.

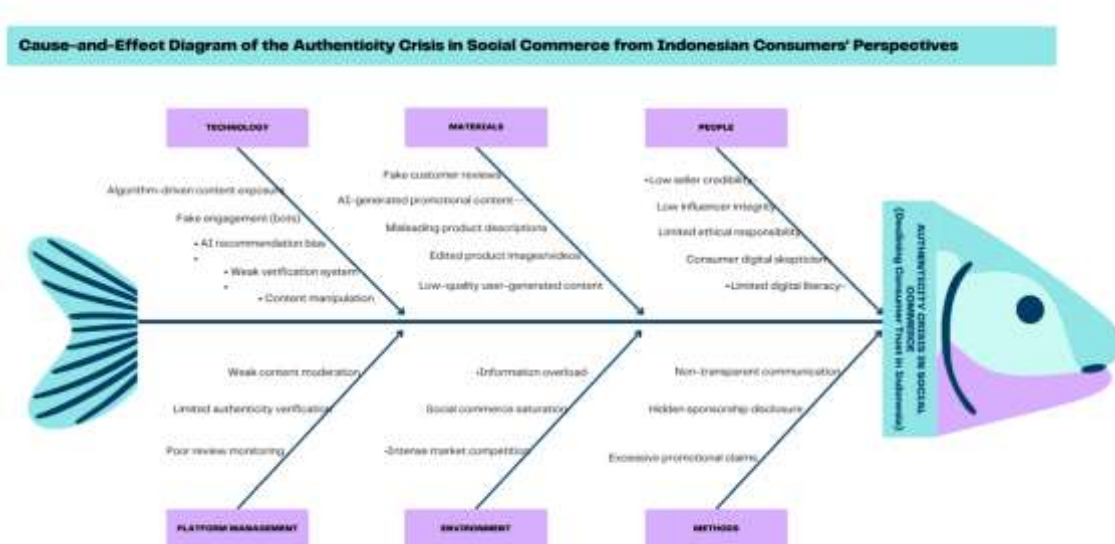


Figure 1. Cause-and-Effect Diagram of the Authenticity Crisis in Social Commerce from Indonesian Consumers' Perspectives

The cause-and-effect analysis demonstrates that the authenticity crisis in Indonesian social commerce is generated by the interaction of multiple interconnected factors rather than by a single isolated problem. As illustrated in Figure 1, the dimensions of People, Methods, Materials, Technology, Platform Management, and Environment collectively shape consumers' perceptions of authenticity during digital purchasing experiences. The findings indicate that authenticity is increasingly evaluated not only through product quality but also through the credibility of digital communication, transparency of promotional practices, and consistency between online representations and actual consumption experiences. From the People perspective, low seller credibility, limited ethical responsibility, weak influencer integrity, consumer digital skepticism, and increasing digital literacy have fundamentally altered the mechanism through which trust is established in social commerce. Indonesian consumers have become more capable of identifying exaggerated promotional narratives and hidden commercial intentions, resulting in more critical evaluations before making purchasing decisions (Damanik et al., 2025; Rubin, 2022; Supriani et al., 2025). Simultaneously, the Methods dimension reveals that non-transparent communication, undisclosed sponsorships, and excessive promotional claims substantially reduce the credibility of marketing messages because consumers perceive such practices as violating expectations of honesty and openness in digital interactions ((Anselmo et al., 2026; Christou et al., 2025; Döring et al., 2024)

The analysis further indicates that technological transformation has intensified the authenticity crisis through increasingly sophisticated forms of digital content manipulation. Within the Materials dimension, fake customer reviews, AI-generated promotional content, misleading product descriptions, heavily edited product visuals, and low-quality user-generated content collectively weaken consumers' confidence in the reliability of online information (Blits et al., 2025; Ruiz, 2025). These conditions are reinforced by the Technology dimension, where algorithm-driven content exposure, fake engagement generated through bots, recommendation algorithm bias, weak verification systems, and content manipulation reduce consumers' ability to distinguish authentic information from commercially engineered content. Furthermore, weaknesses in Platform Management, including inadequate content moderation, limited authenticity verification, poor monitoring of customer reviews, and insufficient fraud detection mechanisms, create an environment in which misleading commercial practices can proliferate with minimal

oversight. These internal weaknesses are further amplified by external environmental pressures characterized by information overload, increasing social commerce saturation, intense market competition, weak digital governance, and continuously rising consumer expectations. Consequently, restoring authenticity requires an integrated strategy that combines transparent communication, ethical promotional practices, stronger platform governance, technological accountability, and consumer digital literacy to rebuild trust and ensure the long-term sustainability of Indonesia's social commerce ecosystem.

4.1.2 Ultrasound Matrix

Based on the findings obtained from the systematic literature review and expert validation through Focus Group Discussions (FGDs) involving specialists in digital marketing, consumer behavior, and social commerce, twenty-five causal indicators were identified as contributing to the authenticity crisis within Indonesia's social commerce ecosystem. These indicators were distributed across the six dimensions identified in the cause-and-effect analysis, namely People, Methods, Materials, Technology, Platform Management, and Environment. Although all identified factors influence consumer perceptions of authenticity, expert discussions highlighted several issues requiring immediate strategic attention, particularly the rapid proliferation of AI-generated promotional content, the increasing prevalence of fake customer reviews and engagement manipulation, the lack of transparency in sponsored communications, and inadequate platform governance in verifying commercial content. The complexity and interdependence of these issues necessitate a systematic prioritization process to ensure that mitigation strategies address the most influential determinants affecting consumer trust. Accordingly, the identified indicators were further evaluated using the Urgency, Seriousness, and Growth (USG) Matrix, as presented in Table 1.

Table 1. USG Matrix Analysis for Prioritizing Business Resilience Barriers in Culinary MSMEs

No	Problem/Issue	U	S	G	Total	Priority
1	Non-transparent communication	5	5	5	15	1
2	Fake customer reviews	5	5	4	14	2
3	AI-generated promotional content without disclosure	5	4	5	14	3
4	Hidden sponsorship disclosure	5	4	4	13	4
5	Weak seller credibility	4	5	4	13	5
6	Algorithm-driven content exposure	4	4	4	12	6
7	Fake engagement (bots)	4	4	4	12	7
8	Weak authenticity verification system	4	4	3	11	8
9	Consumer digital skepticism	4	4	3	11	9
10	Misleading product descriptions	3	4	4	11	10
11	Poor review monitoring	3	4	3	10	11

12	Low influencer integrity	3	4	3	10	12
13	Content manipulation	3	3	4	10	13
14	Information overload	3	3	3	9	14
15	Social commerce saturation	3	3	3	9	15
16	Excessive promotional claims	3	3	2	8	16
17	Limited ethical responsibility	2	3	3	8	17
18	Edited product images/videos	2	3	2	7	18
19	AI recommendation bias	2	3	2	7	19
20	Weak content moderation	2	3	2	7	20
21	Intense market competition	2	2	3	7	21
22	Low-quality user-generated content	2	2	2	6	22
23	Limited digital literacy	2	2	2	6	23
24	Weak digital governance/regulation	2	2	1	5	24
25	Rising consumer expectations	1	2	2	5	25

Based on the results of the USG matrix analysis presented in Table 1, a comprehensive priority ranking of the root causes contributing to the authenticity crisis in Indonesian social commerce was established. The highest priority was non-transparent communication, which received the maximum score of 15, indicating that the lack of openness in digital marketing practices has become the most critical issue affecting consumer trust. This was followed by fake customer reviews, with a total score of 14, reflecting the substantial influence of manipulated electronic word-of-mouth on consumers' purchasing decisions. The third highest priority was AI-generated promotional content without adequate disclosure, which also obtained a total score of 14, highlighting the emerging challenges posed by artificial intelligence in digital marketing. These findings demonstrate that authenticity in social commerce is increasingly determined by the transparency, credibility, and ethical quality of digital communication rather than by promotional intensity alone. Accordingly, the priority order for strengthening consumer trust in Indonesia's social commerce ecosystem is presented as follows.

1) Non-Transparent Communication

Communication transparency constitutes the most fundamental component in establishing consumer trust within social commerce because it directly influences how consumers evaluate the credibility of commercial information before making purchasing decisions. The USG analysis identifies non-transparent communication as the highest-priority issue, demonstrating that consumers increasingly expect brands and sellers to provide accurate, complete, and honest information regarding products, prices, promotional campaigns, and commercial collaborations. However, current digital marketing practices frequently emphasize persuasive narratives while minimizing important product limitations or commercial intentions, thereby increasing information asymmetry between sellers and consumers. Such communication practices gradually erode consumer confidence and contribute to the broader authenticity crisis observed across Indonesia's social commerce platforms. The findings indicate that restoring communication transparency requires structural improvements extending beyond conventional marketing practices. Several long-term strategic actions are therefore required.

- a. Strengthening transparent communication standards in digital marketing. Businesses should consistently disclose sponsored collaborations, promotional objectives, product limitations, and pricing information in clear and understandable language. Transparent communication functions as a high-quality market signal that reduces uncertainty and enables consumers to make more informed purchasing decisions.
- b. Developing authenticity-oriented communication guidelines. Digital marketing should prioritize honest storytelling and evidence-based product representation rather than exaggerated promotional claims. Educational initiatives involving business associations, digital marketing practitioners, and policymakers are required to establish ethical communication standards that promote long-term consumer trust instead of short-term sales performance.

Improving communication transparency therefore represents the primary strategic intervention for reducing information asymmetry and rebuilding authenticity within Indonesia's rapidly expanding social commerce ecosystem.

2) Fake Customer Reviews

Electronic word-of-mouth has become one of the most influential information sources affecting online purchasing decisions. Consequently, the increasing prevalence of fabricated customer reviews represents a serious threat to authenticity within social commerce. The USG analysis identifies fake customer reviews as the second highest-priority issue because manipulated testimonials significantly distort consumers' evaluations of product quality and seller credibility. Rather than functioning as genuine consumer experiences, many online reviews are commercially generated or artificially amplified, reducing the reliability of peer recommendations that traditionally serve as the foundation of trust in digital marketplaces. The persistence of fake reviews reflects broader governance challenges requiring coordinated intervention across multiple stakeholders. Two strategic priorities emerge from the findings.

- a. Strengthening verification systems for customer-generated content. Digital platforms should implement more rigorous verification mechanisms ensuring that published reviews originate from verified purchasing experiences. Integrating purchase verification, artificial intelligence detection systems, and community reporting mechanisms can substantially reduce the circulation of misleading testimonials.
- b. Establishing stronger monitoring and enforcement mechanisms. Platform providers should continuously monitor suspicious review patterns and impose

clear sanctions on businesses or individuals engaging in review manipulation. Simultaneously, consumers should be encouraged to improve their digital literacy by critically evaluating review credibility through multiple information sources before making purchasing decisions.

Through these initiatives, user-generated reviews can regain their original function as authentic social proof capable of strengthening rather than undermining consumer confidence.

3) AI-Generated Promotional Content without Disclosure

The rapid adoption of generative artificial intelligence has fundamentally transformed digital marketing practices by enabling businesses to produce promotional content quickly, efficiently, and at relatively low cost. While these technologies provide significant operational advantages, the USG analysis identifies undisclosed AI-generated promotional content as the third most critical contributor to the authenticity crisis in social commerce. Consumers increasingly experience difficulty distinguishing authentic human experiences from algorithmically generated commercial narratives, creating uncertainty regarding the credibility of marketing messages and reducing confidence in digital interactions. As artificial intelligence becomes increasingly integrated into commercial communication, regulatory and ethical adaptation becomes essential for preserving authenticity. Several strategic interventions are therefore necessary.

- a. Mandatory disclosure of AI-generated commercial content. Businesses should clearly indicate when promotional texts, product descriptions, customer service interactions, or visual materials are produced or substantially assisted by artificial intelligence. Such disclosure strengthens transparency while allowing consumers to evaluate information within an appropriate context.
- b. Developing ethical governance for artificial intelligence in social commerce. Policymakers, digital platforms, and business organizations should collaboratively establish ethical standards governing the responsible use of artificial intelligence in marketing communication. These standards should emphasize transparency, accountability, fairness, and consumer protection while encouraging innovation that remains aligned with authentic consumer experiences.

Collectively, these findings demonstrate that the authenticity crisis within Indonesia's social commerce ecosystem extends beyond isolated marketing practices and reflects broader structural challenges involving communication ethics, technological governance, and information credibility. The three highest-priority factors identified through the USG analysis non-transparent communication, fake customer reviews, and undisclosed AI-generated promotional content constitute interconnected dimensions that directly shape consumer trust. Therefore, restoring authenticity requires an integrated strategy combining transparent communication, verified digital information, responsible artificial intelligence governance, and stronger platform accountability to foster a more trustworthy, resilient, and sustainable social commerce ecosystem.

4.2 Discussion

The findings of this study, which identify non-transparent communication as the highest-priority factor (Rank 1), reinforce the central argument of Signaling Theory, which posits that consumers rely on credible and transparent signals to reduce uncertainty during digital transactions. The results are consistent with the findings of (Shahid et al., 2024), who argue that the quality of marketing signals directly determines consumers' perceptions of credibility and trustworthiness. Likewise, (Tseng, 2023) emphasize that transparent disclosure of promotional intentions significantly improves consumer

confidence in social commerce. However, this study extends previous literature by demonstrating that transparency is no longer limited to providing accurate product information but also includes the disclosure of commercial collaborations, sponsored content, and the use of artificial intelligence in digital communication. This broader interpretation suggests that transparency has evolved into a multidimensional strategic capability rather than a simple communication practice. Consequently, businesses that fail to communicate openly risk accelerating consumer skepticism and undermining long-term brand relationships.

The second highest priority identified through the USG analysis is fake customer reviews, which supports previous studies highlighting the growing influence of electronic word-of-mouth on online purchasing behavior. (Al-Abdallah & Wright, 2025) argue that authentic user-generated content represents one of the strongest determinants of trust within digital marketplaces because consumers generally perceive peer experiences as more credible than firm-generated advertising. Similarly, (Lie et al., 2024) demonstrate that manipulated online reviews substantially reduce perceived authenticity and increase consumers' perceived purchasing risk. While previous studies primarily examine fake reviews from technological or marketing perspectives, this research contributes by positioning review manipulation as a systemic authenticity problem that simultaneously affects consumer trust, platform credibility, and business sustainability. This finding indicates that strengthening verification mechanisms and monitoring user-generated content should become strategic priorities for both platform providers and local businesses operating within Indonesia's rapidly expanding social commerce ecosystem.

The emergence of AI-generated promotional content without disclosure as the third highest priority reflects one of the most significant developments in contemporary digital marketing. Previous research acknowledges that artificial intelligence improves operational efficiency and personalization within digital commerce. Nevertheless, the present study reveals that technological advancement simultaneously creates new ethical challenges when consumers are unable to distinguish between authentic human experiences and algorithmically generated promotional narratives. This finding complements W. Li et al (2023) who argue that technological innovation must be accompanied by appropriate governance mechanisms to preserve public trust. Unlike earlier studies emphasizing technological adoption, this research demonstrates that the principal challenge is not the presence of artificial intelligence itself but the absence of transparent disclosure regarding its use. As consumers become increasingly digitally literate, undisclosed AI-generated content is perceived as reducing communication authenticity rather than enhancing marketing effectiveness.

The findings also reveal that platform governance has become an increasingly influential determinant of authenticity in social commerce. Weak content moderation, inadequate authenticity verification, and insufficient monitoring of suspicious digital activities create favorable conditions for misleading commercial practices to proliferate. Digital platforms should function not merely as technological intermediaries but also as institutional actors responsible for maintaining information integrity. Furthermore, the findings indicate that platform-related weaknesses intensify the effects of algorithm-driven content exposure and fake engagement, creating a cycle in which highly visible content is not necessarily the most credible. This perspective extends previous research by positioning platform governance as a strategic organizational capability that directly shapes consumer trust and the overall quality of social commerce ecosystems.

From a broader theoretical perspective, the findings reinforce the complementary relevance of Resource-Based View (RBV) and Signaling Theory in explaining authenticity within social commerce. RBV conceptualizes authenticity as a valuable, rare, and difficult-to-imitate intangible resource capable of generating sustainable competitive advantage through credible brand reputation and trustworthy customer relationships.

Simultaneously, Signaling Theory explains how transparent communication, verified customer reviews, and authentic digital interactions function as reliable signals that reduce information asymmetry during online purchasing decisions. The integration of these perspectives suggests that authenticity should not be understood solely as an attribute of marketing communication but rather as a strategic organizational capability that enables businesses to sustain competitive advantage in increasingly complex digital environments. Furthermore, the application of the cause-and-effect framework contributes theoretically by demonstrating that the authenticity crisis emerges from multidimensional interactions among human behavior, communication practices, technological systems, platform governance, and environmental pressures instead of isolated organizational failures.

The practical implications of this study provide a strategic roadmap for business practitioners, digital platform providers, and policymakers seeking to restore consumer trust within Indonesia's social commerce ecosystem. For business practitioners, the findings emphasize the importance of transparent communication, honest product representation, disclosure of sponsored collaborations and AI-generated content, and the development of authentic customer engagement strategies. Digital platforms should strengthen verification systems for customer reviews, improve content moderation, and implement governance mechanisms capable of detecting misleading commercial practices more effectively. Meanwhile, policymakers are encouraged to establish ethical guidelines governing artificial intelligence in digital marketing, strengthen consumer protection regulations, and expand digital literacy programs that enable consumers to critically evaluate online commercial information. Collectively, these interventions are expected to strengthen authenticity as the foundation of consumer trust while supporting the sustainable development of Indonesia's digital economy.

This research demonstrates that the authenticity crisis in Indonesian social commerce is a systemic phenomenon arising from the interaction of communication transparency, information credibility, technological development, platform governance, and evolving consumer expectations. Through the integration of cause-and-effect analysis and USG prioritization, the study identifies non-transparent communication, fake customer reviews, and undisclosed AI-generated promotional content as the three most critical determinants requiring immediate strategic intervention. These findings suggest that rebuilding consumer trust requires an integrated approach that combines ethical communication, responsible technology governance, stronger platform accountability, and continuous digital literacy development. By addressing these root causes comprehensively, Indonesia's social commerce ecosystem can evolve toward a more transparent, trustworthy, resilient, and sustainable digital marketplace.

5. CONCLUSION AND RECOMMENDATIONS

This study concludes that the authenticity crisis in Indonesia's social commerce ecosystem is not the consequence of a single communication failure but rather the result of multiple interconnected systemic factors that collectively undermine consumer trust. Through the integration of the Cause-and-Effect Diagram and the Urgency, Seriousness, and Growth (USG) Matrix, the study identifies non-transparent communication as the most critical determinant of the authenticity crisis, achieving the highest priority score of 15. This is followed by fake customer reviews and AI-generated promotional content without adequate disclosure, both of which substantially increase information asymmetry and weaken consumers' confidence in digital transactions. The findings demonstrate that authenticity has become a strategic capability that extends beyond product quality, encompassing transparent communication, credible digital content, responsible technological practices, and trustworthy platform governance. As consumers become increasingly digitally literate and critical toward commercial persuasion, businesses can

no longer rely solely on persuasive promotional strategies but must prioritize authentic interactions that consistently reflect organizational values and consumer expectations.

The study further reveals that Indonesia's rapidly expanding social commerce market is experiencing a structural shift in which consumers increasingly evaluate brands based on communication integrity, ethical marketing practices, and the credibility of user-generated information. The proliferation of manipulated customer reviews, hidden commercial collaborations, algorithm-driven content amplification, and undisclosed artificial intelligence applications has accelerated the erosion of authenticity across digital platforms. Consequently, restoring consumer trust requires coordinated improvements involving businesses, digital platforms, and policymakers to strengthen transparency standards, verification mechanisms, ethical governance, and consumer digital literacy. These interventions are expected to reduce information asymmetry while fostering a more resilient and sustainable digital commerce ecosystem.

From a theoretical perspective, this study reinforces the complementary relevance of the Resource-Based View (RBV) and Signaling Theory by demonstrating that digital authenticity functions as a valuable intangible organizational resource capable of generating sustainable competitive advantage through consumer trust. Furthermore, the application of the cause-and-effect analytical framework contributes to the literature by systematically mapping the multidimensional interactions among human behavior, communication practices, technological systems, platform governance, and environmental pressures that collectively generate the authenticity crisis. Rather than interpreting declining consumer trust as a purely technological issue, the findings emphasize that authenticity is fundamentally shaped by ethical communication, organizational capability, and responsible digital governance. Practically, the study provides a strategic roadmap for businesses to strengthen transparent communication, disclose commercial collaborations and AI-generated content, improve the credibility of digital information, and develop authentic consumer engagement strategies that support long-term business sustainability.

As recommendations for future action, policymakers and digital platform providers should establish comprehensive governance frameworks that strengthen authenticity verification systems, improve monitoring of customer-generated content, regulate the ethical use of artificial intelligence in digital marketing, and enhance consumer protection mechanisms within social commerce. Business practitioners are encouraged to prioritize communication transparency, authentic storytelling, responsible influencer collaboration, and systematic verification of digital content as core components of their marketing strategies. Given that this study employs a qualitative descriptive approach supported by expert judgment and cause-and-effect analysis, the findings should be interpreted within the context of Indonesian social commerce. Future research is recommended to adopt quantitative approaches, structural equation modeling, or mixed-methods designs to empirically validate the causal relationships identified in this study and to examine the mediating or moderating roles of variables such as digital literacy, platform trust, perceived authenticity, and artificial intelligence disclosure across different social commerce platforms and international contexts.

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