

The Influence of Live-Streamers on Somethinc's Purchase Intention at Tiktok Shop Mediated by Consumer Trust

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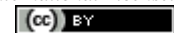
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Abstract

The trend that is happening nowadays is online transactions through live-streaming or what is commonly known as live-streaming shopping. This study aims to determine the effect of live-streamers on purchase intention with consumer trust as an intervening variable. This research uses descriptive quantitative method. The population in this study are state university students who use social media TikTok in Malang City. The sample in this study amounted to 195 respondents, determined using a purposive sampling technique with criteria such as students aged 18-28 years who are TikTok social media users in Malang City who have watched live-streaming on the official TikTok account of @Somethincofficial, and have ever used TikTok Shop feature. The data analysis technique used in this study is Structural Equation Modeling (SEM) Partial Least Square (PLS) or SEM-PLS with the help of SmartPLS 3.0 software. The results of this study indicate that live-streamers have a positive and significant effect on consumer trust, live-streamers have a positive and significant effect on purchase intention, consumer trust has a positive and significant effect on purchase intention, and live-streamers have a positive and significant effect on purchase intention through consumer trust.

Keywords: Influence, Live-Streamer, Consumer, Trust, Purchase Intention, Online Transaction, Shopping.

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1. Introduction

The trend that is happening nowadays is transaction through online shopping site or what is commonly known as E-Commerce [1]. Opportunities from this trend are used by various social media and e-commerce in Indonesia, one of which is TikTok [2]. TikTok is a short music video platform from China, introduced in 2016 by Zhang Yiming and developed by the ByteDance company [3]. Indonesia had the most TikTok downloads as of August 2020, accounting for 11% of all downloads globally [4], whereas ByteDance's advertising data estimates that Indonesia had 92.07 million active TikTok users in 2022 [5]. According to the Head of Marketing of TikTok Indonesia, Dina Bhirawa, the most popular types of content on TikTok include comedy videos, vlogs, talent, food, fashion, and beauty [6]. Beauty content that is currently in vogue is content about skincare. One of the local skincare brands that are currently on the rise is Somethinc. Somethinc is a local brand that produces skincare, cosmetics, and beauty tools using premium and halal-certified materials. According to a survey conducted by iprice regarding the most watched skincare products on TikTok based on a comparison of total viewers (reviews) about skincare, as well as based on brand hashtags, Somethinc is the top-ranked local brand, with 57.3 million total hashtag views [7].

Somethinc carries out promotions by following market developments. One of Somethinc's ways to promote its products is to sell them through the live-streaming feature on TikTok. The live-streaming feature on TikTok allows sellers or companies to do promotions

by interacting directly with consumers [8]. The activity of watching live while shopping can also be called as Live-streaming Shopping [9]. The existence of live-streamers on social networking sites enhances the value of live-streaming shopping [10]. Live-streamers are people who broadcast live videos of themselves over the internet to an audience online [11]. Indicators that can measure live streamers include professionalism, interactivity, and price discount [12]. Live streamers can influence consumer trust. The result of research conducted by Zhang shows that the more interaction between live streamers and the audience on a platform for live streaming, the more likely it is that audience trust will rise.

Live streamers are predicted to influence consumer purchase intention. The efficacy and benefits of the product that consumers feel are strongly influenced by trust in the product, which will suggestively influence the benefits consumers expect from the product purchased [13]. Some previous studies stated that live-streamer is one of the determining factors in influencing purchase intention. The result of research conducted by Zhong et al. shows that professionalism, interactivity, and the ability of a live streamer to provide discounted prices are several factors influencing purchase intention [14]. However, a study conducted by Xu et al. found that the scale of live-streaming and the commitment of live-streamers do not significantly impact purchase intention. This gap makes researchers interested in taking live streamers as a variable in this study [15].

Several studies state that marketing based on live streaming is basically about consumer trust [16].

Consumer trust is the expectation that service providers can be trusted to fulfil their promises [17]. The desire to trust the seller and take action where doing so puts the consumer exposed to the seller is referred to as consumer trust in online commerce. [18]. The human ego is built to be a consumer that constantly seeks approval and respect [19]. Therefore, companies must appreciate and respect consumers to increase their trust, which will later increase consumers' purchase intention in their products. Indicators that can measure consumer trust include ability, integrity, benevolence, and overall trust [20].

As for previous studies that examined the relationship between consumer trust and purchase intention, one of them was research. found that consumer trust significantly influences purchase intention. However, a study by Ratag et al. found that consumer trust has no significant effect on purchase intention. The difference in the results of these studies made researchers interested in taking consumer trust as a variable in this study. The chance that consumers will purchase a product or the potential for them to switch from one brand to another is known as purchase intention. Purchase intention or buying interest is a feeling of interest felt by consumers in a product or service, which is the beginning of the consumers' purchasing decision. A particular image and positive experience with a store can lead to consumers' desire to buy more in the future, recommend the store to others, and convey good word of mouth. Indicators that can measure purchase intention include trust in the product, certainty in choosing the product, and confidence in buying the product.

Consumer trust is predicted to be able to mediate the relationship between live streamers and purchase intentions. Consumer trust mediates the relationship between the professionalism of a live-streamer, live-streamer interactivity, and discounted prices provided by live-streamers with purchase intention. Based on the background above, despite its rapid growth and development, the live-streaming shopping of Somethinc on TikTok has not received as much attention from researchers as it should. Therefore, researchers are interested in conducting research that aims to determine the effect of live-streamers on purchase intention of Somethinc products at TikTok Shop mediated by consumer trust.

2. Research Method

This study uses descriptive and quantitative methods. The research was carried out by distributing questionnaires to respondents who are students of State Universities who use social media TikTok in Malang City, East Java. The object of research in this study are state university students in Malang City, namely students of Brawijaya University (UB), State University of Malang (UM), State Islamic University of Maulana Malik Ibrahim Malang (UIN Malang), State Polytechnic of Malang (Polinema), and Malang State Health Polytechnic (Poltekkes).

This study uses a purposive sampling technique. The respondents' criteria are students aged 18-28 years who are users of social media TikTok in Malang City who have watched live-streaming on the official TikTok account @Somethincofficial and who have used the TikTok Shop feature. The population size is unknown. Therefore, to determine the number of samples, this research uses the Malhotra formula, multiplying the items by 5 so that the results obtained are 195 samples. The data analysis in this study includes descriptive analysis and Partial Least Square (PLS) Structural Equation Modeling (SEM) or SEM-PLS with the help of SmartPLS 3.0 software. The following Figure 1 is the conceptual framework of this study.

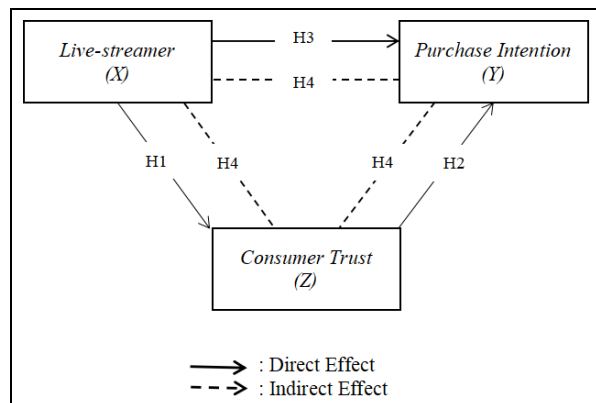


Figure 1. Conceptual Framework

Based on the framework above, the hypotheses of this study are H1 is Live-streamer has a positive effect on consumer trust, H2 is Consumer trust has a positive effect on purchase intention, H3 is Live-streamer has a positive effect on purchase intention, H4 is Live-streamer has a positive effect on purchase intention through consumer trust.

3. Result and Discussion

3.1. Measurement Model (Outer Model)

The outer model shows how the observed or manifest variable can represent the latent variable to be measured. The outer model analysis is carried out to measure the feasibility of the measurement as a valid and reliable measurement. The outer model calculation results are shown in the Figure 2.

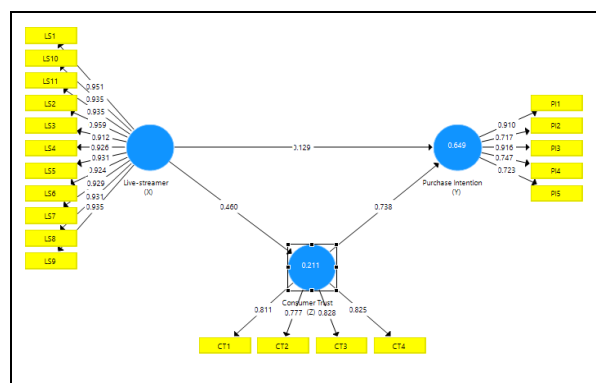


Figure 2. Outer Model

The calculations performed in the outer model analysis are:

a. Convergent Validity

According to a common rule of thumb used to evaluate convergent validity, the loading factor value must be greater than 0,7 for confirmatory research, and the loading factor value is acceptable between 0,6 and 0,7 for explanatory research. Convergent Validity on Table 1.

Table 1. Convergent Validity

Variabel	Item	Outer Loading	AVE	Evaluation
Live-streamer (X)	LS1	0.951	0,871	Valid
	LS2	0.959		Valid
	LS3	0.912		Valid
	LS4	0.926		Valid
	LS5	0.931		Valid
	LS6	0.924		Valid
	LS7	0.929		Valid
	LS8	0.931		Valid
	LS9	0.935		Valid
	LS10	0.935		Valid
	LS11	0.935		Valid
Consumer Trust (Z)	CT1	0.811	0,657	Valid
	CT2	0.777		Valid
	CT3	0.828		Valid
	CT4	0.825		Valid
Purchase Intention (Y)	PI1	0.910	0,652	Valid
	PI2	0.717		Valid
	PI3	0.916		Valid
	PI4	0.747		Valid
	PI5	0.723		Valid

According to Table 1, all items have loading factor values greater than 0,7 and AVE values greater than 0,5. Therefore, these items were considered valid to be used as a measure of the variables in this study.

b. Reliability

Two tests—Composite reliability and Cronbach's Alpha—are used to assess the dependability of objects. Things are regarded as dependable if their Cronbach's alpha and composite reliability value are both greater than 0,7. Composite Reliability and Cronbach's Alpha on Table 2.

Table 2. Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha	Evaluation
Live-streamer (X)	0.987	0,985	Reliable
Consumer Trust (Z)	0.885	0,828	Reliable
Purchase Intention (Y)	0.903	0,863	Reliable

Table 2 shows that all variables have a composite reliability value and Cronbach's alpha of more than 0.7. Therefore, the items used to measure these variables

are considered reliable. Structural Model (Inner Model).

Structural model testing (inner model) is used to predict how latent variables will relate to each other. Testing on the inner model is carried out by looking at the percentage of variance explained by looking at the R-square value for endogenous variables, Stone-Geisser to test predictive relevance, and average variance extracted (AVE) for predictions using resampling procedures such as bootstrapping and jackknifing. *R-Square* is used to determine how strongly exogenous latent factors influence endogenous latent variables. If the R-Square value is 0,75 then the model can be said to be strong, if the R-Square value is 0,5 it can be said to be moderate, and if the R-Square is 0,25 then the model can be said to be weak. R-Squares on Table 3.

Table 3. R-Squares

	R-Square	R-Square Adjusted
Consumer Trust	0.211	0.207
Purchase Intention	0.649	0.645

Based on Table 3, the adjusted R-Squares is 0,645. Therefore, the effect of variable X on Y can be considered moderate. Hypothesis Testing on Path Coefficient is Table 4.

Table 4. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/ST DEV))	P Value
Consumer Trust (Z) -> Purchase Intention (Y)	0.738	0.751	0.091	8.137	0.000
Live-streamer (X) -> Consumer Trust (Z)	0.460	0.458	0.073	6.324	0.000
Live-streamer (X) -> Purchase Intention (Y)	0.129	0.121	0.065	1.988	0.047

Based on Table 4, the path coefficient of the live-streamer variable on consumer trust shows a positive relationship because it has a coefficient value of 0,460 and is significant at 0,05, and has a t-statistic value of 8,137 greater than the t-table value of 1,645 and has a p value of 0,000 less than 0,05. Thus, the first hypothesis (H1), which states that the live-streamer variable has a positive influence on the consumer trust variable, is accepted. These results align with research, which states that interactions made by a live streamer can increase consumer trust. From the results of this study, it can be concluded that the interactions carried out by Somethinc's live-streamer during live-streaming can

increase consumer trust in Somethinc products. If the live streamers thoroughly explain the products they promoted, it will lessen the feeling of doubt from the consumers about the products, which can lead to consumers developing trust in the products.

The path coefficient of the consumer trust variable on purchase intention also shows a positive relationship because it has a coefficient value of 0,738 and is significant at 0,05, and has a t-statistic value of 6,324 which is greater than the t-table value of 1,645 and has a p-value of 0,000 is smaller than 0,05. Thus, the second hypothesis (H2), which states there is a positive influence of the consumer trust variable on the purchase intention variable, is accepted. These results are in line with research conducted obtained the result that consumer trust has a positive effect on purchase intention. The results of this study indicate that the greater a consumer's trust in Somethinc, the greater the consumer's desire to buy Somethinc products. This can happen because the greater consumer's trust in a product, the greater the possibility that the consumers will have the desire to own the product.

The path coefficient on the live-streamer variable on purchase intention shows a positive relationship because it has a coefficient value of 0,129 and is significant at 0,05, and has a t-statistic value of 1,988 which is greater than the t-table value of 1,645 and has a p-value of 0,047 is smaller than 0,05. Thus, the third hypothesis (H3), which states that the live-streamer variable has a positive influence on the purchase intention variable, is accepted. These results are in line with research, which state that live streamers can influence purchase intention. The results of this study can be interpreted that the professionalism and interactivity of @Somethincofficial's live-streamer, as well as how @Somethincofficial's live-streamer offers discounted prices, can influence consumer intention in purchasing Somethinc products. This is possible because a skilled live streamer can connect with consumers and give more precise product explanations and other offers, such as discount prices, to pique the consumers' interest in purchasing the products. Specific Indirect Effect on Table 5.

Table 5. Spesific Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STD EV)	P Values
Live-streamer (X) -> Consumer Trust (Z) -> Purchase Intention (Y)	0.339	0.345	0.075	4.527	0.000

Based on Table 5, the live-streamer variable has a positive and significant effect on the purchase intention

variable through the consumer trust variable because it has a p value of $0,000 < 0,05$ and a t-statistic value of $4,527 > 1,96$, so the fourth hypothesis (H4), which states that the live-streamers variable has a positive effect on purchase intention variable through consumer trust, is accepted. These results align with research, which states that live streamers' professionalism, interactivity, and discounted prices positively affect purchase intention. According to this study's findings, @Somethincofficial's live streamers play a critical role in gaining the trust of their consumers, which in turn encourages them to become interested in purchasing Somethinc products. This is possible because the live streamer's interaction with the viewers, the ability to convey product information, and the ability to present offers (such as discounted prices and other promotions) can develop consumer trust in the product and, ultimately, spur interest from the viewers in purchasing it. Based on Table 5, it can be concluded that the independent variable (live-streamer) can directly and significantly influence the dependent variable (purchase intention) without going through a mediator variable (consumer trust). So it can be said that the consumer trust variable has a partial mediating effect. This might be taken to mean that the live streamers of @Somethincofficial has the power to influence consumer's purchase intention regardless of whether they believe in the Somethinc products they have been promoting.

4. Conclusion

Based on the results of research on the effect of live-streamers on purchase intention mediated by consumer trust, it can be concluded that live streamers have a positive and significant effect on consumer trust. It means that the interactions made by the live-streamer of @Somethincofficial during live-streaming can increase consumers' trust in Somethinc products. live streamers have a positive and significant effect on purchase intention. It can be interpreted that the professionalism and interactivity of the @Somethincofficial live-streamer, as well as how the @Somethincofficial live-streamer provides discounted price offers can influence consumer intention in purchasing Somethinc products. Consumer trust has a positive and significant effect on purchase intention. It shows that consumers' trust in Somethinc increases their desire to purchase Somethinc products. Live streamers positively and significantly affect purchase intention through consumer trust. It can be interpreted that the role of a live-streamer from @Somethincofficial is crucial to build consumer trust, and then the consumers' trust will later raise their intentions to purchase Somethinc products. Researchers can advise that Somethinc's live streamers should continue to develop their communication skills and understand the products being promoted to build consumer trust to increase consumer purchase intention in Somethinc products. Future research may use a longitudinal method or several waves of data collecting that include customers from various generations. Future researchers could also add further moderators to

the model, including the character traits of consumers and sellers.

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