

THE ANALYSIS OF GEN Z PURCHASE INTENTION ON TIK TOK LIVE STREAMING

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ABSTRACT

The findings of this study offer valuable implications for marketers and businesses looking to optimize their strategies on TikTok. This emphasizes the need to harness the effect of celebrity to shape Gen Z's purchase intention. The research explores the interplay between these variables, providing insight into the complexity of Gen Z's decision-making process in the digital era and social media marketing. It also sheds light on the mechanism through which trust mediates the relationship between celebrity endorsement and purchase intention. Understanding the pivotal role of trust can guide the development and more effective and credible marketing campaigns in the realm of live-streaming TikTok. The respondents of this research were the Gen Z that live in Semarang. This research indicates that celebrity endorsement has a positive and significant effect on trust. Also, celebrity endorsement and trust have a positive and significant effect on purchase intention. Trust was found capable to mediate between celebrity endorsement and purchase intention.

Keywords : Trust, Purchase Intention, Celebrity Endorsement, Livestreaming shopping

INTRODUCTION

Nowadays people are face with a lot of applications on smartphone and people get used to do everything mobile (Ahmadi and Hudrasyah 2022). The spread of social media platforms also changed the way of company have their strategy of marketing and advertising. One of a lot of platforms that rise recently is TikTok which their popularity getting higher with a unique format. TikTok has opened a new possibilities for product promotion and endorsement through their short video content or live streaming shopping session. Moreover, TikTok become an ideal platforms for brand to connect with their target audience or in this case is their customer. One of the strategy on TikTok is celebrity endorsement, where the popular content creators or well-known figures endorse their service or product to their followers. Celebrity endorsements can communicate the characteristics of a brand itself and the most effective way to effectively endorse a product. (Dey, R, and Krishna Gayathri 2021) . Celebrity endorsements become a great strategy to not only attract consumer attention but also create global awareness and brand presence (Kanwar and Huang 2022).

The remarkable development of the Internet allows all information to be shared widely around the world without limits. This invention has significantly changed the way people live and communicate with each other (Büyükdag 2021). Due to the lightning-fast development of technology, particularly the internet, it is now simple for customers to exchange a lot of information. The influence of social media on brand perception and consumer purchase intention (Büyükdag 2021). The

purchase intention can reflect consumers' future behavioral plans based on their attitudes and emotions. (Hien et al. 2020).

The competition between brands makes company build a lot of strategies to achieve all the advantage to have a great relation with customer. Tiktok has one of the live streaming session that growth in recent years. In 2022, TikTok gross merchandise value received US\$ 4,4 Billion and 45% of people in Indonesia have using TikTok for online purchase (Dewi 2023). The feature of live streaming on TikTok can be used by business as promotional strategy to increase their sales which can have a big impact on sales (Wayan and Divani 2023). Celebrity endorsement in live streaming session have a role that can make customer have trust that related to a brand or thing they offer directly through live streaming session (Qiu, Chen, and Lee 2021). Trust and culture are related to purchase intention, moreover consumer trust appear when celebrity advertise the brand through the social media (Firman et al. 2021).

Based on (Osei-Frimpong, Donkor, and Owusu-Frimpong 2019) research proved that the level of familiarity, attractiveness and trustworthiness of celebrity endorsement influence consumer purchase intention. This is also follow by (Putri and Roostika 2021) which celebrity endorsement were positively influence to purchase intention through brand attitude. In the other hand research from (Dey, R, and Krishna Gayathri 2021) (Iriani 2021) , argue that celebrity endorsement were not significantly effect to purchase intention. The research from (Firman et al. 2021) revealed that celebrity endorsement has no direct effect on

purchase intention but mediation in customer trust can be a mediator between celebrity endorsement and purchase intention. Therefore, the purpose of this research is to find out the mediation effect on trust between celebrity endorsement and purchase intention among Gen Z consumers, by taking TikTok Live Streaming Session as an example. This means our respondents only targeted on people age between 17 to 26 years old (Insider intelligence 2022).

RESEARCH METHODS

There are several stages in this research by using quantitative research. First stage is a the way to collecting primary data which using questionnaire that will be spread to all respondents. The sampling technique is using purposive sampling with the criteria of respondent's age between 17 – 26 years old, because in this research targeting to only Generation Z. The reason by using age started at 17 years old because in that age are consider be able to make a decision. Second stage is a process to analyze all the data, by using multiple linier regression and sobel test in SPSS programme.

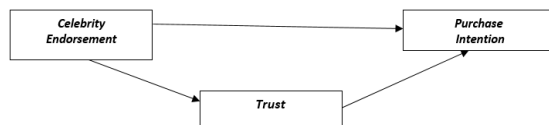


Figure 1. RESEARCH MODEL

RESULTS AND DISCUSSIONS

Respondent Characteristic

The first table show that most of respondents were women at the age between 19 – 20 years old. Most of them were college student who received less than Rp. 1.000.000 income per month, who's also had 2-4 years online shopping experience. Moreover, most of the respondents occasionally watched the livestreaming shopping on TikTok and their most watched celebrity TikTok host on live streaming was Nagita Slavina.

Table 1. Respondent Characteristic

Description	Percentage
<u>Gender:</u>	
Male	29%
Female	71%
<u>Age:</u>	
17-18 years old	13%
19-20 years old	58%
21-22 years old	20%
23-24 years old	5%
25-26 years old	4%
<u>Monthly Income:</u>	
< Rp. 1.000.000	66%
Rp. 1.000.000 – Rp. 3.000.000	28%
> Rp. 3.000.000	6%
<u>Occupation:</u>	

Students	1%
College Students	87%
Private employees	5%
Employees	4%
Others	3%

Online Shopping

Experience :

<1 year	19%
1-2 years	28%
3-4 years	35%
>4 years	18%

Frequently watching

Livestreaming on TikTok in a month :

Rarely	44%
Sometimes	45%
Oftentimes	10%

Most watched Celebrity

Tiktok Host Indonesia :

Luna Maya	3%
Nagita Slavina	44%
Aurel Hermansyah	9%
Baim Wong	8%
Ruben Onsu	3%
Alice Norin	3%
Others	30%

Primary data sourced, 2023.

Validity Test Result

In the table 2, the validity test result showed that all the indicators received The KMO score above 0.5 with the significance level 0.00. All the indicators also found valid because the loading factor is more than 0.4.

Table 2. Validity Test Result

Indicator Items	KMO Value	Component Matrix	Description
<u>Celebrity Endorsement</u>			
	0,921		
X1.1		0.740	Valid
X1.2		0.732	Valid
X1.3		0.653	Valid
X1.4		0.784	Valid
X1.5		0.854	Valid
X1.6		0.784	Valid
X1.7		0.716	Valid
X1.8		0.823	Valid
X1.9		0.814	Valid
X1.10		0.832	Valid
X1.11		0.770	Valid
X1.12		0.786	Valid
X1.13		0.862	Valid
X1.14		0.752	Valid
X1.15		0.712	Valid
<u>Trust</u>			
	0,752		
Y1.1		0.911	Valid
Y1.2		0.915	Valid
Y1.3		0.907	Valid

<i>Purchase Intention</i>	0.773	
Y2.1	0.901	Valid
Y2.2	0.624	Valid
Y2.3	0.894	Valid
Y2.4	0.911	Valid

Primary data sourced, 2023.

Reliability Test Result

All the variables were passed for the reliability test in this research. The Cronbach Alpha of Celebrity Endorsement, Trust and Purchase Intention are more than 0.7.

Table 3. Reliability Test Result

Variable	α Cronbach	α Standard	Description
<i>Celebrity Endorsement</i>	0.952	0.7	Reliable
<i>Trust</i>	0.897	0.7	Reliable
<i>Purchase Intention</i>	0.853	0.7	Reliable

Primary data sourced, 2023.

Hypotheses Test Result

The table 4 shows two equations for this research. In the first equation, the adjusted R^2 is 0.662. This means that 66.2% of trust variable that can be explained by celebrity endorsement and 33.8% were explained by other variables. The first equation also receive 194.739 with the significance level 0.000 for the F test result, which means less than 0.05. So, celebrity endorse simultaneously affected to trust variables. Moreover, table 4 shows the result of adjusted R^2 for the second equation is 0.552. It means that 55.2% of variable purchase intention can be well explained by celebrity endorsement and trust. So the rest of 44.8% can be explain by other variables outside this models. The F test result for the second equation received 55.112 with significance level 0.000, below of 0.05, that means the variables of celebrity endorsement and trust were simultaneously affected to purchase intention.

The first hypotheses in the table 4 shows that celebrity endorsement have 0.816 as the standardize coefficient beta score, with significance value 0.000. From that result shows that celebrity endorsement has a positive effect to trust. Other result from second hypotheses shows that celebrity endorsement have 0.358 for the standardize coefficient beta score with significance value 0.004, which means that celebrity endorsement has a positive effect to purchase intention. The same thing happen with third hypotheses, where trust received 0.407 for the standardize coefficient beta score with significance value 0.001. The result revealed that trust has a positive effect to purchase intention. So, overall the hypotheses were accepted.

Table 4. Hypotheses Test Result

Model	Beta	Sig
H ₁ : <i>C. Endorsement</i> $\rightarrow$ Trust	0,816	0,000
H ₂ : <i>C. Endorsement</i> $\rightarrow$ P. Intention	0,358	0,004
H ₃ : Trust $\rightarrow$ P. Intention	0,407	0,001

Primary data sourced, 2023.

Mediation Test Result

The mediation test shows in the table 5. The effect of trust has significance value 0.0010 that means less than 0.05. The variable trust can perfectly mediates through celebrity endorsement and purchase intention.

Table 5. Mediation Test Result

Effect	
<i>Value</i>	.4022
<i>s.e</i>	0.1221
<i>LL95CI</i>	.1629
<i>UL95CI</i>	.6415
<i>Z</i>	3.2946
<i>Sig (two)</i>	.0010

Primary data sourced, 2023.

Discussion

The effect of celebrity endorsement on trust

Table 4 shows the result of celebrity endorsement that has a positive effect on trust. This proved that famous celebrity is more credible to make a content promotion in Tik Tok livestreaming shopping. The consumer have the trust for certain product that promote by the Host Celebrity on livestreaming Tik Tok. When the celebrity endorse a product, it could increase the trust on consumer's mind and also increasing the excitement to watch the livestreaming shopping program on Tik Tok. This result is in line with previous research (Qiu, Chen, and Lee 2021), (Tanjung and Keni 2023).

The effect of celebrity endorsement on purchase intention

The result in the table 4 shows that celebrity endorsement has a positive effect on purchase intention. This means celebrity plays role on online presence, where most of them have a large audience that can persuade to purchase the product they try to offer. Live streaming Tik Tok can reach a vas audience in real time so, for the celebrity endorse a product during livestream will make wide engage audience which impact the purchase intention. The authentic and transparency interaction during live stream by celebrity also can make an impact to consumer purchase intention. This is also proved by (Nuraida, Andharini, and Satiti 2022) that celebrity endorser can make a creative ways to deliver the message so it can achieve a higher attention in consumer's mind.

The effect of trust on purchase intention

Trust has a positive effect on purchase intention as it shows in table 4. Trust is built over time and critical factor on consumer behavior especially in online purchase format these days. Trust is built through consistency interaction with the audience and in this case by live streaming shopping process become more crucial to get the customer trust. Trust also plays a crucial role in shaping purchase intention. This also in line with the research of (Tanjung and Keni 2023) and (Nuraida, Andharini, and Satiti 2022) that said the increasing of consumer trust of celebrity endorsement will increase consumer purchase intention on product that they offer to the consumer.

CONCLUSION AND SUGGESTION

Celebrity endorsement has a positive and significant effect on trust, which means the better of celebrity endorsement will be following by the increasing of consumer trust on the product that offer by celebrity especially in social media. Celebrity endorsement has a positive and significant effect on purchase intention. The result showed that the better of credibility and trustworthiness of celebrity will increase the customer purchase intention. Trust has a positive and significant result on purchase intention. This showed that the better of trust in celebrity will be following by the increasing of purchase intention. Trust was able to mediate in the middle of celebrity endorsement and purchase intention. The limitation in this research was only focus on one target audience which the aim is Generation Z that were born between 1997 to 2012, and focusing in one city in Indonesia that is Semarang. So for the next research need larger sample to generalize the new findings.

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