FACTORS AFFECTING CONSUMER'S PURCHASE DECISION ON TIKTOK LIVE SHOPPING, WITH PERCEIVED VALUE AS THE MEDIATING VARIABLE IN JAKARTA

Annisa Putri Shafira, Natatsa Indhagelista, Regita Esmeralda, Minsani Mariani
Binus Business School
Email: annisa.shafira@binus.ac.id

Abstract

This study is aimed to knowing the effect of the role of influencer, promotion, perceived scarcity, and perceived value on Tik Tok live shopping on purchase decisions. This study uses descriptive quantitative method because the data is presented in numerical and descriptive form. The sample is determined as many 254 male and female users of the TikTok application in Jakarta. In this study, data are collected using a questionnaire method as primary data. The data analysis in this research uses descriptive analysis as an analysis tool in data processing. Beside that, this study uses multiple linear regression methods to obtain the effect of the independent variables on the dependent variable. Based on the analysis result, it can be concluded that that three key factors have a significant impact on purchase decisions: promotion, scarcity, and perceived value on TikTok Live Shopping. The future research directions are expected to provide to a deeper understanding of purchase decisions on TikTok Live Shopping, uncover new insights, and inform marketing strategies within this rapidly evolving domain.

Keywords: perceived scarcity; perceived value; promotion; purchase decision; role of influencer,

1. INTRODUCTION

Pandemic COVID-19 has occurred social and economic difficulties throughout the world. As stated by Dannenberg (2020), this phenomenon influences the level of online shopping to be high. Thus, business men must look for new innovation to attract consumers purchasing power, reach out the markets and make it easier for consumers to buy their products. Those methods are able to put consumers at the stage of buying desicion. A choice of actions from several alternatives made by consumers is called a purchase decision. Purchasing decisions are consumer trust by seeking information to be able to review and evaluate various products to be purchased (Erlangga et al., 2021).

Besides that, especially with technological developments that have also changed the online shopping space (Ali, 2020). Buying and selling activities no longer have to be done outside the home, shopping only using digital technology and utilizing internet access assisted by various social media applications has become a new culture of Indonesian society (Frimayasa et al., 2022). One such social media is TikTok. TikTok itself is known as an application that presents army trends, songs, and also short entertainment video clips that are of short duration or only a few seconds (Roose, 2018). Another opinion also states, Tik Tok is the most popular application in the world because its users can create interesting short content by including music, filters, and several other features (Adawiyah, 2020).

According to DataBooks, one of the most users of the TikTok application is in Indonesia, where they have 1.46 billion active monthly users (MAU), the second largest in the world after the United States. This number increased by 62.52% compared to the same period last year (Databoks, 2022). TikTok has also established itself as a major source of

entertainment during the pandemic until now (Zeng et al., 2021). In Indonesia itself, based on the demographics of Tik Tok 2021 users, the majority are in Jakarta at 22%. Then, followed by East Java with 18% and West Java with a total of 13% (Ginee.com 2021). As a social media, TikTok also has an interesting and different online buying and selling feature, namely the TikTok Live Shop. In this application a brand actually introduces its product by combining video, music and dance, all of which are interrelated and synergized (Indarwati et al., 2023). There are several factors that also support this feature to be further utilized and developed. Based on previous research exploring the role of influencers in influencing purchasing decisions. One of them is research from Frimayasa et al. (2022) which found that celebrity endorsers have a significant positive effect on purchasing decisions. In addition, there are also promotional variables which also influence purchasing decisions (Khalida et al., 2022). Other research also states that purchasing decisions are influenced by the perceived scarcity factor (Heriyanto et al., 2021). In this case, based on the studies and data described above, we, as writers, see an opportunity to combine the existing variables, namely the role of influencers, promotions, and scarcity on purchasing decisions in Tik Tok media with its direct shopping features. This study will also use perceived value as a mediating variable which also influences each variable on purchasing decisions. The use of perceived value is based on a positive relationship to purchasing decisions which can also be found in previous journals. Then, the scope of this research was also made more specifically, namely only reaching the people of Jakarta who have used Tik Tok Live Shopping.

Currently there are more and more new journals that discuss online shopping activities on social media. Especially the use of social media Tik Tok with its live streaming shopping feature which has also caught a lot of people's attention at this time. In this case, some researchers are interested in learning more about how consumers can intend to buy or even come to a decision to buy a product in Tik Tok Live Shopping. There are many factors that can influence these activities to occur. One that was researched and found by previous researchers showed that customer trust (trust in community members, broadcasts and products) has an impact on customer engagement. In addition, it was also found that customer purchase intentions were influenced by influencer credibility in promoting brands or products (Lin & Nuangjamnong, 2022).

Based on research results what is done regarding influencers social media on decisions purchase, get results which is not significant. There is social media influencers who increasingly widespread nowadays not just for consideration consumers in purchasing something goods, but consumers There are also other considerations before making a purchase such as product quality, price, location, durability or durability products and others. Besides that Consumers also have tastes each of which is not always the same as the influencer's choice. (Abi Nugroho, 2022.

Many other related studies review how customers use the Tik Tok Shop media to shop for the desired items. One of them is research from Ratu et al. (2022) which found that digital marketing and sales promotion had a positive and significant effect on purchase intentions through the Tiktok Shop, but Hermiyenti et al. (2019) in their study state that promotion, price and brand image have a significant effect. Based on the previous studies that were found, it brought curiosity or interest from the author to explore and find out more about what factors drive customer purchase decisions at Tik Tok Live Shopping. Because in previous research there were few variables that were used specifically or combined several of these variables leading to the TikTok Live Shopping feature.

2. METHOD

Based on the research method, this study uses descriptive quantitative method because the data is presented in numerical and descriptive form. Descriptive research is a quantitative research method that attempts to collect quantifiable information to be used for statistical analysis of the population sample. The aims from this study is to find out the impact of Role of Influencers, Promotion, and Perceived Scarcity on consumer's purchase decisions on TikTok Live Shopping in Jakarta.

In this study, the study setting that will be used is a non-contrived setting with minimum interference. The unit of analysis in this study is individual. The researchers are interested in investigating the behaviors, perception, attitude or opinion of TikTok application users.

The sample is determined as many 254 male and female users of the TikTok application in Jakarta. In this study, data are collected using a questionnaire method as primary data. The data collection was distributed using social media platforms such as WhatsApp, LINE, Instagram, and other similar platforms. Question type used in this study is a closed-ended question, which can only be answered by selecting from a limited number of options, usually multiple-choice questions with a single-word answer, 'yes' or 'no', or a rating scale.

The data analysis in this research uses descriptive analysis as an analysis tool in data processing. Descriptive methods of data analysis can be used successfully in identifying dimensions or basic factors that explain correlations between many variables. In this study, the researcher used SPSS to analyze the result data. Using SPSS is an appropriate choice for marketing and survey companies in order to analyzing consumer behavior and forecasting.

The researcher conducted a validity test and a reliability test. The use of validated measuring instrument ensures that the findings obtained as a result of the analyses are valid (SÜRÜCÜ et al., 2020). Meanwhile, reliability is related to repeatability. A scale or test is said to be reliable if repeated measurements made by it under constant conditions give the same results (Taherdoost, 2016). This study uses multiple linear regression methods to obtain the effect of the independent variables on the dependent variable.

3. RESULTS AND DISCUSSION

In this study, the researcher found there were 254 respondents from the survey process conducted and the survey was considered valid. The survey results indicated that as many as 242 of the respondents lived in Jakarta with a percentage (95.3%) and the rest answered no (4.7%). In the last 3 months, the respondents who had made purchases through the Tik Tok Live Shopping application were 232 (91.3%). According to the age, The average age its appears of 20-30 years as many as 176. The indicators of gender it divided equally, specifically 50% women and 50% men. The majority of respondents are private employees with a figure of 130 (51.2%) and a maximum of 146 (57.5%) respondents earn 4,000,000-10,000,000. Most of the respondents' sources of income, 166 (65.4%), came from working as employees. The frequency of making transactions or shopping online using TikTok Live Shopping in one month, respondents answered 1-2 times at most, 123 (48.4%).

Table 1. Sample Profile

Category	Frequency	Percentage
Do you reside in Jakarta?		

Yes	242	95,3%
No	12	4,7%
Have you ever made a purchase through the TikTok Live Shopping app in the last 3 months?		
Yes	232	91,3%
No	22	8,7%
Age		
<20	20	7,9%
20 – 30	176	69,3%
30 – 40	34	13,4%
40 – 50	21	8,3%
>50	3	1,2%
Gender		
Female	127	50%
Male	127	50%
Occupation		
Not Working	14	5,5%
Student	46	18,1%
Government Employee/Public Sector	40	15,7%
Private Sector Employee	130	51,2%
Entrepreneur	24	9,4%
Domicile		
East Timur	46	18,1%
South Jakarta	69	27,2%
West Jakarta	73	28,7%
Central Jakarta	48	18,9%
North Jakarta	18	7,1%
Income		
< 500.000	8	3,1%
500.000 - 1.000.000	22	8,7%
4.000.000 - 10.000.000	146	57,5%
10.000.000 - 20.000.000	53	20,9%

> 20.000.000	25	9,8%
Sumber Penghasilan		
Parents	45	17,7%
Entrepreneur	43	16,9%
Working as an Employee	166	65,4%
Frequency of conducting transactions or shopping online using TikTok Live Shopping within 1 month?		
1-2 times	123	48,4%
3-5 times	83	32,7%
> 5 times	48	18,9%

The measurement model analysis helps researchers evaluate the validity and reliability of a measurement instrument. The validity test will determine the scale of making measurements in accordance with the research objectives. Subsequently, validity test uses the SPSS program measurement. In determining it, an item is considered valid if it has a significant correlation with the total score, usually at the 0.05 level. The results of the validity test showed that all questionnaires for the Role of Influencer X1 variable, Promotion X2 variable, Scarcity X3 variable, Perceived Value M variable, and Purchase Decision Y variable in this study passed the validity test because the rcount value (Pearson Correlation) was greater than rtable. Based on the rtable value where df = n-2 or 254-2 = 252, the rtable value for 252 is 0.1231 (two-way significant level 0.05). This indicates that the measurement instrument used has proven valid for measuring the construct under study.

In this study, the researcher find out a strong positive correlation between the measuring instrument results is an indication of reliability. The results of the reliability test output show that the Cronbach's Alpha values for the variables X1, X2, X3, M, and Y are all values above 0.70. If we use general criteria, where the value of Cronbach's Alpha which is considered good is 0.60 or more, it can be concluded that the variables X1, X2, X3, M, and Y in this study have a level of reliability that is greater than the value of these criteria. That is, the items related to the variables X1, X2, X3, M, and Y correlate very well with each other and form a very consistent construct. This shows that the variables X1, X2, X3, M, and Y can be relied upon as a very reliable measuring instrument.

Table 2. Validity and Reliability Test Result

Construct	Items	Sig.	Cronbach's Alpha	Result
X1	X1.1 - x1.5	<0,001	0.852	Valid and Reliable
X2	X2.1 - x2.5	<0,001	0.831	Valid and Reliable
X3	X3.1 - x3.5	<0,001	0.795	Valid and Reliable
M	M1 - M4	<0,001	0.766	Valid and Reliable

Y	Y1 - Y4	<0,001	0.784	Valid and Reliable

Linear Regression Analysis

Table 3. Hypotheses Test Result

Hypotheses	P-value	Path Coefficient	Decision
Role of Influencer (X1) => Perceived Value (M)	0.51	0.019	Rejected
Promotion (X2) => Perceived Value (M)	0	0.313	**Accepted**
Scarcity (X3) => Perceived Value (M)	0	0.314	**Accepted**
Perceived Value (M) => Purchase Decision (Y)	0	0.762	**Accepted**
Role of Influencer (X1) => Purchase Decision (Y)	0.1	-0.049	Rejected
Promotion (X2) => Purchase Decision (Y)	0	0.231	**Accepted**
Scarcity (X3) => Purchase Decision (Y)	0	0.18	**Accepted**

In that table, the decision is obtained by comparing the p-value with a predetermined significance level (eg $\alpha = 0.05$). If the p-value is less than α, the hypothesis is accepted, whereas if the p-value is greater than α, the hypothesis is rejected. Based on the output results, some hypotheses can be accepted (Hypotheses 2, 3, 4, 6, and 7), while some other hypotheses cannot be accepted (Hypotheses 1 and 5). This shows that the Role of Influencer variable (X1) is not related to Perceived Value (M) or Purchase Decision (Y). While other variables namely promotion (X2), scarcity (X2) and Perceived Value (M) have a relationship with Purchase Decision (Y).

Table 4. Direct Effect, Indirect Effect, Total Effect

Effect Between Variables	Direct Effect	Indirect Effect Through Mediator	Total Effect
Role of Influencer (X1) => Perceived Value (M)	0.019		0.019

Promotion (X2) => Perceived Value (M)	0.313		0.313
Scarcity (X3) => Perceived Value (M)	0.314		0.314
Perceived Value (M) => Purchase Decision (Y)	0.762		0.762
Role of Influencer (X1) => Purchase Decision (Y)	-0.049	(0.019)(0.762) = 0.014	-0.035
Promotion (X2) => Purchase Decision (Y)	0.231	(0.313)(0.762) = 0.238	0.469
Scarcity (X3) => Purchase Decision (Y)	0.18	(0.314)(0.762) = 0.239	0.419

The relationship between variables can be direct or indirect. The direct effect rate is a coefficient of all coefficient path with one arrow tip, whereas the indirect effect rate is the effect of an exogenous variable on an endogenous variable via a mediating variable as a result of multiplication of two paths connecting the indirect effect (Handayani et al., 2020). Table 4.3 shows that scarcity had the strongest effect (0.314) on perceived value. The strongest direct effect on the purchase decision was perceived value (0.762).

Coefficient Determination

The Pearson correlation coefficient is widely used to detect and measure the dependence between two random quantities. The square of its least-squares estimate, popularly known as R-square, is often used to quantify how linearly related two random variables are. According to Wang et al., 2017, the way to measure appropriate data with linear regression is R-squared statistic.

1. Scarcity, Role of Influencer, Promotion towards Perceived Value

Table 5. R Square Perceived Value

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769[a]	.591	.586	1.69761

a. Predictors: (Constant), Scarcity (X3), Role of Influencer (X1), Promotion (X2)

Table 5. above shows the result of the coefficient of determination test (R Square) on Perceived Value. The result of the analysis indicates that the R-square is 0.591 or 59.1%. It can be concluded that about 59.1% of the variation in Perceived Value can be explained by the

independent variables used in the model. This result indicates that the built regression model is able to explain most of the variation in Perceived Value.

2. Scarcity, Role of Influencer, Promotion , Perceived Value towards Purchase Decision

Table 6. R Squared Purchase Decision

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788[a]	.621	.615	1.70718

a. Predictors: (Constant), Perceived Value (M), Role of Influencer (X1), Promotion (X2), Scarcity (X3)

In this study, a regression analysis was performed to examine the relationship between the independent variables (Scarcity, Role of Influencer, Promotion, Perceived Value) and the dependent variable (Purchase Decision). Table 6. above shows the result of the coefficient of determination test (R Square) on Purchase Decision. The result of the analysis shows that the R-square is 0.621 or 62.1%. It can be concluded that about 62.1% of the variation in Purchase Decision can be explained by the independent variables used in the model. This result indicates that the built regression model is able to explain most of the variation in Purchase Decision.

Discussion

The research delved into the intricate dynamics of TikTok Live Shopping, aiming to discern the impact of influencers, promotion, perceived scarcity, and perceived value on consumers' purchase decisions. Contrary to expectations, the study unveiled that the role of influencers did not exhibit a significant correlation with perceived value or purchase decisions. This nuanced finding challenges prevalent assumptions about the overriding influence of influencers in the TikTok Live Shopping landscape. However, the significance of promotion, scarcity, and perceived value emerged as pivotal factors shaping consumers' decisions to engage in purchases through TikTok Live Shopping.

The lack of a direct relationship between the role of influencers and consumers' decisions prompts a reevaluation of the conventional understanding of influencer marketing within this specific context. While influencers play a substantial role in various online platforms, their impact may be different in the dynamic and visually-driven environment of TikTok Live Shopping. On the other hand, the pronounced influence of promotion and scarcity aligns with established marketing principles, emphasizing the persuasive power of promotions and the psychological impact of perceived scarcity on consumer behavior.

Furthermore, the study's analysis of direct and indirect effects shed light on the intricate connections between variables. Perceived value emerged as a potent direct influencer on purchase decisions, emphasizing the paramount importance of consumers' subjective

assessment of the value offered. The indirect effect analysis highlighted that scarcity exhibited the most substantial impact on perceived value, underscoring the role of perceived scarcity as a crucial factor influencing consumers' perception of value in the TikTok Live Shopping context.

As for future research directions, the study recommends a more granular exploration of user segmentation, a deeper understanding of influencers' roles, and comparative analyses across different live shopping platforms. These directions aim to unravel the nuances of consumer behavior, preferences, and the varying effectiveness of influencing factors across diverse contexts. Additionally, the implications of this research extend to sellers and consumers participating in TikTok Live Shopping, emphasizing the need to optimize features that enhance sales and consumer convenience in this evolving technological landscape. In conclusion, this study contributes valuable insights to the burgeoning field of online shopping, particularly within the dynamic realm of TikTok Live Shopping, paving the way for informed marketing strategies and future investigations in this rapidly evolving domain.

4. CONCLUSIONS

Based on the results and discussion, it can be concluded that specifically conducted on TikTok Live Shopping provides valuable insights into the factors that influence purchase decisions within this specific context. The results indicate that three key factors have a significant impact on purchase decisions: promotion, scarcity, and perceived value on TikTok Live Shopping, there are several paths for future research that can establish and develop the knowledge in this area. It included:

1. User Segmentation: Exploring the heterogeneity among TikTok Live Shopping users can provide a deeper understanding of how different user segments respond to various influencing factors. Analyzing factors such as demographics, user preferences, and purchasing patterns.
2. Impact of Influencers: Analyzing the role of influencers, their content strategies, and their impact on consumer behavior.
3. Comparative Analysis: Conducting comparative studies between TikTok Live Shopping and other live shopping platforms or traditional e-commerce platforms. Comparisons can explore differences in consumer behavior, purchase motivations, and the effectiveness of various influencing factors across different platforms.

The elaboration of this research is consumers who have the intention to buy tend to see the value of the price offered first and other offers such as discounts from sellers. In other words value Price is an important assessment made by consumers which will later lead to intentionsto make a purchase.

The implication of this research is to improve features that can support sales for sellers and also the convenience obtained by customers in fulfilling their needs so that technological advances that exist in the future so that they can be utilized optimally and for parties who will conduct similar research, they can use variables others who were not included in this research or also future researchers can research consumers on other media platforms. For future research directions are expected to provide to a deeper understanding of purchase decisions on TikTok Live Shopping, uncover new insights, and inform marketing strategies within this rapidly evolving domain.

REFERENCES

Abi Nugroho, T. (2022).The Influence Of Social Media Influencers And Brand Image On Decisions To Purchase Compass Shoes ProductS (Study of Compass Shoe Consumers in Malang). *Jurnal Ilmiah Mahasiswa FEB*, *10*(1) : 1-14

Adawiyah, D. P. (2020). Pengaruh penggunaan aplikasi Tiktok terhadap kepercayaan diri remaja di kabupaten Sampang. *Jurnal Komunikasi, 14*(2), 135–148.

Ali, B. J. (2020). Impact of COVID-19 on consumer buying behavior toward online shopping in Iraq. *Economic Studies Journal, 18*(42), 267–280.

Dannenberg, P., Fuchs, M., Riedler, T. and Wiedemann, C. (2020), Digital Transition by COVID-19 Pandemic? The German Food Online Retail. Tijds. voor econ. en Soc. Geog., 111: 543-560.

Erlangga, H. *et al.* (2021) "Effect of digital marketing and social media on purchase intention of smes food products," *Turkish Journal of Computer and Mathematics Education (TUR COMAT)*, 12(3), pp. 3672–3678. Available at: https://doi.org/10.17762/turcomat.v12i3.1648.

Frimayasa, A. & Nasution, I. (2022). The influence of social media, celebrity endoser, and brand image on consumer purchase decisions at Tokopedia. *Ulil Albab: Jurnal Ilmiah Multidisiplin*, *1*(3), 541–550.

Handayani, B. *et al.* (2020) 'Corporate financial performance on corporate governance mechanism and corporate value: Evidence from Indonesia', *Montenegrin Journal of Economics*, 16(3), pp. 161–171. doi:10.14254/1800-5845/2020.16-3.13.

Heriyanto, C., Oktavio, A., & Kaihatu, T. S. (2021). Peran scarcity marketing dan perceived value terhadap purchase intention pada pengguna Traveloka. *Jurnal Ilmiah Manajemen Bisnis dan Inovasi Universitas Sam Ratulangi*, *8*(1).

Hermiyenti, S., & Wardi, Y. (2019). A literature review on the influence of promotion, Price and brand image to purchase decision. *Proceedings of the 2nd Padang International Conference on Education, Economics, Business and Accounting (PICEEBA-2 2018)*.

Indarwati, T. A., Dhenabayu, R., Pradana, R. M., Erta, & Dewi, H. S. (2023). Perceived ease of use on purchasing decisions in e-commerce: A case study of TikTok social media. *International Journal of Economics, Management, Business, and Social Science*, *3*(1), 24–35.

Khalida, L.R. (2022). The effect of promotions and consumer preferences on purchase decision. *Proceedings of the 19th International Symposium on Management (INSYMA 2022)*, 982–986.

Lin, Q., & Nuangjamnong, C. (2022). Exploring the role of influencers and customer engagement on purchase intention in TikTok live streaming shopping. *International Journal of Social Sciences and Humanities Invention*, *9*(12), 7469–7498.

Ratu, E. P. & Tulung, J. E. (2022). The impact of digital marketing, sales promotion, and electronic word of mouth on customer purchase intention at TikTok Shop. *Jurnal EMBA, 10*(4).

Roose, K. (2018, December 3). TikTok, a Chinese video app, brings fun back to social media. *The New York Times*. Retrieved from https://www.nytimes.com/2018/12/03/technology/tiktok-a-chinese-video-app-brings-fun-back-to-social-media.html

Sürücü, L. and Maslakçi, A. (2020) 'Validity and reliability in quantitative research', *Business & Management Studies: An International Journal*, 8(3), pp. 2694–2726. doi:10.15295/bmij.v8i3.1540.

Taherdoost, H. (2016). Sampling methods in research methodology: How to choose a sampling technique for research. *International Journal of Academic Research in Management, 5*, 18-27.

Wang, X., Jiang, B. and Liu, J.S. (2017) 'Generalized R-squared for detecting dependence', *Biometrika*, 104(1), pp. 129–139. doi:10.1093/biomet/asw071.

Zeng, J., Abidin, C., & Schäfer, M. S. (2021). Research perspectives on TikTok and its legacy apps. *International Journal of Communication*, *15*, 12.