

DOES TRANSPARENCY BEHAVIORS AND CREDIBILITY BEHAVIORS COULD INCREASING PURCHASE INTENTION ON SOCIAL MEDIA TIKTOK APPS

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Abstract

This study investigates the effects of parasocial interaction on Transparency behavior, utilitarian behavior, and purchase intentions among TikTok users. A descriptive quantitative research approach was employed, and data from 182 respondents were collected through a questionnaire. The data were analyzed using the partial least squares (SEM-PLS) method. The findings demonstrate that parasocial interactions positively influence transparency, credibility, informativeness, and purchase intention. Specifically, parasocial interactions enhance the transparency of hedonistic values in social media marketing, leading to stronger consumer relationships. Additionally, parasocial interaction positively affects the credibility of utilitarian values, fostering consumer trust in influencers. The dimensions of credibility and informativeness in utilitarian behavior mediate the impact of parasocial interaction on purchase intention. These results highlight the significance of parasocial interaction in shaping consumer behaviors and intentions within the context of TikTok.

Keywords: Parasocial Interaction, Transparency Behavior, Unilateralistic Behavior, Purchase Intention.

INTRODUCTION

Sustainable advertising communication strategies are crucial in today's era of hypercompetition to influence consumer Behavior and drive product purchases (Montag et al., 2021; Honka, Hortaçsu, & Vitorino, 2017). Utilizing celebrity endorsers on social media platforms like TikTok has emerged as an effective approach to capturing consumer attention (Paul & Bhakar, 2018; Um & Lee, 2015). TikTok, a widely popular social media platform among the Millennial and Gen Z generations in Indonesia, has gained significant traction (Firamadhina & Krisnani, 2020). Influencers on TikTok wield substantial influence over their followers, impacting their purchasing decisions for promoted products (McCormick, 2016). TikTok leverages algorithms to recommend content to users based on their interests and preferences (Shotwell, 2019). The phenomenon of "TikTok Poison" has emerged, where influencers recommend products to their followers, influencing user purchasing decisions (Maurencia & Wahyoedi, 2021). Marketing through TikTok offers opportunities to reach the elusive younger generation that is challenging to engage through conventional media (Haenlein et al., 2020). Indonesian TikTok users demonstrate a pronounced interest in content categories encompassing dance, comedy, music, sports, and fashion (Haenlein et al., 2020). Despite the relatively scant research on product endorsement through TikTok in Indonesia, this phenomenon underscores substantial potential for marketing towards the youth demographic (Barta et al., 2023).

In summation, influencer marketing via TikTok exerts a significant impact on consumer Behavior and spurs product purchases. TikTok, as a social media platform, possesses unique and compelling attributes that resonate with the young user base, rendering it an effective channel for influencer marketing campaigns. However, based on the literature review conducted, there has been no research that specifically discusses the effectiveness of product endorsement through TikTok in Indonesia (Darmatama & Erdiansyah, 2021). This is a managerial challenge in itself because marketing through social media has become a priority for digital marketing penetration of many

products with a large budget. the problem is that it is not easy to attract the attention of the audience to focus on one product on TikTok social media, adding that a less positive image of beauty products can result in the audience not making purchase decisions (Metta D and Rezy E, 2021). The dynamic business environment, characterized by the substantial expansion of online commerce, has necessitated conventional fashion enterprises to promptly adjust to maintain their sources of income and secure their existence in the market. The advent of e-commerce has not only reduced obstacles to entrance but has also heightened market rivalry (Renwarin JMJ, 2019). Cloud Think also could not find the best strategy for its retail market to join the competitive market. If Cloud Think sets a competitive price to another competitor, it makes the price of Cloud Think products cheaper than its reseller and will drive cannibalization to the wholesale business (Syukri K, 2023).

This study aims to investigate the influence of parasocial interaction between TikTok users and influencers on Hedonistic and Utilitarian behaviors, as well as purchase intention. Additionally, the research will analyze the characteristics of TikTok usage in Indonesia, encompassing the frequency of video viewing, time duration spent, preferred categories of endorsed videos, and the frequency of product purchases based on endorser recommendations.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Research conducted by Kim and Ko (2012) indicates a positive relationship between the transparency dimensions of hedonic value and purchasing intention. The researchers in this study examine the impact of hedonistic factors on consumers' purchasing decisions in the context of internet shopping. Research conducted by Kim and Ko (2012) indicates a positive relationship between the transparency dimensions of hedonic value and purchasing intention. The researchers in this study examine the impact of hedonistic factors on consumers' purchasing decisions in the context of internet shopping. According to the study's findings, transparency—that is, the availability of information about the goods or services being offered—has a positive and significant impact on consumers' trust and increases their propensity to buy. Further research conducted by Kim and Park (2018) also yielded some interesting results. In this study, the researchers examined the relationship between hedonistic values and intention to buy in the context of online fashion products. The study's findings indicate that transparency also has a positive, significant impact on consumers' intentions to buy and their level of brand trust. According to the study's findings, transparency—that is, the availability of information about the goods or services being offered—has a positive and significant impact on consumers' trust and increases their propensity to buy.

Further research conducted by Kim and Park (2018) also yielded some interesting results. In this study, the researchers examined the relationship between hedonistic values and intention to buy in the context of online fashion products. The study's findings indicate that transparency also has a positive, significant impact on consumers' intentions to buy and their level of brand trust. As an example, a research conducted by Lee et al. (2021) also shows a positive correlation between transparency from hedonic value and purchase intention. In this study, the researchers examined the effects of transparency and playfulness from hedonic value on consumers' purchasing decisions about fashion products. The study's findings indicate that as compared to playfulness, the transparency dimension of hedonic value has a greater impact on consumer purchasing behavior. This indicates that information transparency about the product or service being offered can increase trust of consumer and increasing their intention to buy. Customers will feel more confident and inclined to purchase the product or service after receiving clear and concise information about it. For this reason, it is crucial for businesses to highlighting and increasing the transparency of hedonistic values to increase consumer purchasing intention. Based on the above explanations, the following hypotheses can be derived from this study:

H1: Transparency Behavior has an impact on purchase intention.

Numerous studies have shown that there is a positive relationship between utilitarian Behavior and purchasing Behavior in the context of online buying. One study that supports this idea was carried out by Park and Kim (2003). In this study, the researchers examined the factors that affect consumers' purchasing decisions in the context of online shopping. The study's findings indicate that utilitarian Behavior, such as using the internet to look up product or service information, has a significant positive impact on purchasing decisions. Chen and Dubinsky (2003) conducted additional research that supports this idea in the context of e-commerce. In this study, the researchers present a conceptual model regarding the customer value that is generated in e-commerce. The study's findings indicate that factors that affect consumers' purchasing decisions in e-commerce, such as information gathering or utilitarian activities, have a significant impact on purchasing decisions. Huang et al. (2015) have discussed this topic in the context of online travel. In this study, the researchers examined the effects of utilitarian and hedonistic values in online buying on consumer preferences and purchasing Behavior in the context of online travel. The study's findings indicate that utilitarian practices have a positive and significant impact on consumer purchasing Behavior. Based on the above explanations, the following hypotheses can be derived from this study:

H2: Credibility behavior has an impact on the intention to buy.

RESEARCH METHODS

The research conducted in this study adopts a quantitative descriptive research design. Descriptive research with a quantitative approach aims to elucidate the functions and characteristics of markets or other entities. The study is conducted in Jakarta, chosen as a representative sample of TikTok users in urban areas of Indonesia. The population of this study comprises TikTok users in Jakarta falling within the age range of Generation Z (born between 1996 and 2012) and Millennials (born between 1981 and 1995) (Malhotra et al., 2017). The sample for this research consists of Generation Z individuals aged 17 to 27 years and Millennial individuals aged 25 to 40 years. The minimum sample size will be determined by multiplying the number of observed variables in the study by five, following Lenth's recommendation (2001). After undergoing validity and reliability testing during the pre-test or pilot survey, the observed variables in this study amount to 21, multiplied by 5, resulting in a sample size of 105 respondents. The measurement scale for the scaled response questions in this study employs a Likert scale. A five-point Likert scale is utilized.

Validity and reliability testing are integral to ensuring the statistical soundness of all measurement instruments throughout both the pre-survey and main survey phases of the research. During the pre-survey stage, a sample of 30 respondents will be used to assess instrument validity through IBM SPSS 26, considering metrics such as Kaiser Meyer-Olkin Measure of Sampling Adequacy, Bartlett's Test of Sphericity, Anti Image Matrices, Total Variance Explained, and Factor Loading of Component Matrix. Reliability assessment will take into account the Cronbach's alpha value. In the main survey phase, validity and reliability will be tested on a minimum of 105 respondents using the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique and PLS SEM software. Convergent validity and discriminant validity will be examined for validity, while composite reliability and Cronbach's alpha values will be observed for reliability. The primary data collected from the questionnaire administered during the main survey (following the pre-test) were subsequently processed using Smart PLS, a Structural Equation Modeling (SEM) software, in accordance with the methodologies employed in prior research studies. This phase encompassed various SEM tests, including the Coefficient of Determination (R²) test, Predictive Relevance (Q²) test, Goodness of Fit (G o F) test, and path coefficient test (to assess hypotheses).

RESULTS AND DISCUSSION

The initial stage of this study involved a pre-test conducted with 30 respondents. Validity testing demonstrated that all measurement instruments (questionnaire items) for the variables of Parasocial Interaction, Transparency, Perceived Enjoyment, Credibility, Informativeness, and Purchase Intention met the criteria and could be deemed valid, as they exhibited satisfactory factor loadings. Reliability testing also indicated that all measurement instruments (questionnaire items) for the aforementioned variables exceeded the standard Cronbach's Alpha threshold of > 0.70 . These results affirm that the questionnaire administered to respondents yields consistent, reliable, and pertinent outcomes. Subsequently, the study progressed to the main survey phase, which involved a minimum of 105 respondents. Due to the high enthusiasm of the survey participants, a total of 185 responses were successfully obtained, well exceeding the minimum requirement. In this phase, a series of tests were conducted using the Partial Least Squares Structural Equation Modeling (PLS SEM) technique, wherein all validity and reliability tests yielded valid and reliable outcomes.

The final step of this research encompassed conducting path coefficient tests to assess the hypotheses. Hypothesis testing suggests that transparency behavior is a positive predictor, with a coefficient of 0.052. However, the result for hypothesis is not significant as the t-statistic is less than 1.96 and the p-value is greater than 0.05. This implies that transparency behavior does not significantly impact purchase intention. The data analysis results indicate a t-statistic value of 0.538 with a significance probability of 0.591. As the p-value is greater than 0.05, Hypothesis is rejected, meaning that the Transparency dimension does not have a significant effect on Purchase Intention. The adjusted R² value for the transparency variable is 0.076, which means that the transparency variable can be explained by transparency interaction to the extent of 7.6%. Therefore, the transparency behavior does not appear to have a significant influence factor for Purchase Intention. This finding diverges from prior research by Kim and Ko (2012) and Lee et al. (2021), which demonstrated a positive relationship between the transparency behavior and purchase intention. The Path Coefficients for the transparency dimension is 0.052, suggesting that transparency as an indirect variable does not have a greater influence on Hedonistic Behavior and purchase intention compared to the direct variable of parasocial interaction, which has a value of 0.160. This implies that even if favorite TikTokers provide clear and straightforward product reviews, this might not play a crucial role in purchase decision-making. Several other factors could explain the lack of significant influence of the transparency behavior on purchase intention in the context of product reviews by favorite TikTokers. First, pricing could be a primary consideration for consumers. Despite the transparent reviews by favorite TikTokers, a price that is too high or beyond consumers' affordability might reduce the motivation to make a purchase. This aligns with the findings of Kotler and Keller (2016). In their book "Marketing Management," they state that pricing significantly affects consumer purchase intention. Lower prices tend to enhance consumers' interest and inclination to buy a product or service. They also mention that consumers' perception of the value derived from a product or service relative to the price paid can be a determining factor in purchase decisions. Furthermore, product quality is another important factor in purchase decision-making. Even if favorite TikTokers provide transparent reviews, consumer trust in product quality is influenced by other factors such as brand reputation, other user reviews, or testimonials unrelated to favorite TikTokers. If product quality is in doubt, consumers might hesitate to make a purchase, even if the information provided is transparent. Aaker, Kumar, and Day (2007) [27] explain that product quality plays a significant role in consumer purchase decisions. Good and reliable quality tends to enhance consumers' interest and trust in the product. Consumers are more likely to choose products with a reputation for high quality, as this is perceived to add value and satisfaction in product usage. Moreover, trust and personal relationships could also influence purchase intention. While transparency from favorite TikTokers is important, consumers also tend to consider the personal relationship they have with the brand or seller. If consumers have a strong relationship or have built trust with a specific brand, purchase intention is not solely dependent on the transparency of

information provided by favorite TikTokers. Moorman, Zaltman, and Deshpande (1992) state that trust is a key factor influencing consumer purchase decisions. Consumers who trust a brand or company are more motivated to buy their products. Additionally, personal relationships established between consumers and service providers can also influence purchase intention. Consumers who feel emotionally connected or have a good relationship with a service provider are more likely to choose their products over competitors. Lastly, promotional factors and special offers can also impact purchase intention. Even if favorite TikTokers provide transparent reviews, attractive promotions, price discounts, rewards, or other special offers can more strongly influence consumer purchase intention. These factors can capture consumers' attention and sway their decisions to make a purchase, even if the transparency of information provided by favorite TikTokers is high. This is consistent with Hoyer and MacInnis's (2010) research, which asserts that effective promotions such as discounts, sales, or loyalty programs can motivate consumers to make purchases.

Hypothesis testing demonstrates that credibility behavior is a positive predictor, with a coefficient of 0.222. The result for hypothesis is significant as the t-statistic is greater than 1.96 and the p-value is less than 0.05. This signifies a significant influence of credibility behavior on purchase intention. The data analysis results indicate a t-statistic value of 2.574 with a significance probability of 0.010. Given that the p-value is less than 0.05, Hypothesis is accepted, implying that the Credibility Behavior has a significant on Purchase Intention. This finding is supported by previous research with similar results, as studied by Huang et al. (2015) in the context of online travel. In this study, it was shown that credibility behavior has a positive and significant influence on consumers purchase intentions. Based on the hypothesis results and hypothesis testing conducted, it can be concluded that the credibility behavior significantly influences purchase intention. This finding suggests that consumers tend to use TikTok as a means to gather information about products or services they need before making a purchase. This indicates that utilitarian behavior when using TikTok plays a crucial role in shaping consumers' purchase intentions. This finding is also supported by the Credibility behavior having a Path Coefficient value of 0.222. This implies that Credibility behavior as an indirect variable has a greater influence on purchase which has a value of 0.160. Therefore, the trustworthiness of information conveyed by consumers' favorite TikTokers in reviewing a product significantly affects consumers purchase intentions.

CONCLUSION

Parasocial interaction has a significant impact on the credibility dimension of utilitarianism values. The study reveals that higher levels of parasocial interaction experienced by the audience lead to increased trust in the information provided by influencers. This suggests that consumers are more likely to trust information provided by influencers they admire or have a positive opinion of. The transparency behavior does not mediate the influence of parasocial interaction on purchase intention. Authors give some managerial implications. Marketers are advised to provide information in a more easily understandable manner to ensure that the intended message is clear and targeted to consumers. . Based on the findings of this research, the authors offer the following managerial recommendations: Enhancing Transparency: TikTok should continuously uphold and enhance transparency across all operational aspects. Providing clear, detailed, and accurate information about the products or services offered will foster consumer trust in the platform. The company can openly communicate pricing policies to corporate partners, content authenticity, and user data management to ensure improved transparency. For the further research, explore about the parasocial interaction and hedonic behavior.

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