

Analysis of Factors Influencing Consumer Purchase Intention in Live Streaming Shopping in Indonesia.

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EXTENDED ABSTRACT

Live Streaming Shopping as a new form of social commerce has made rapid progress. As many as 83.7% of Indonesian people have visited and used online shopping methods via live broadcasts, also known as live streaming shopping.

This research aims to analyze the influence of professionalism, interaction, price discounts, trust on purchase intentions in live streaming shopping in Indonesia. We address 5 research questions, of which 4 questions are related to the relationship between variables and 1 question is about the mediation relationship.

RQ1: Does professionalism have a positive effect on purchase intention and trust?

RQ2: Does interaction have a positive effect on purchase intention and trust?

RQ3: Does price discounts have a positive effect on purchase intention and trust?

RQ4: Does trust have a positive effect on purchase intention?

RQ5: Does trust mediates relationship between professionalism, interaction, price discounts to purchase intention?

Technology is used very widely in human life today, where one of its uses is as a medium for selling or marketing a product. The rapid development of innovation and new product sales media has changed consumer behavior in terms of acceptance of products and services. Large retailers and brands are using virtual approaches to engage consumers, especially young consumers (Lee and Chen, 2021; Guo et al., 2021). The results of a Nielsen Indonesia survey show that television (TV) users in the country are currently shrinking drastically compared to before the Covid-19 pandemic (Annur, 2022). Currently TV users reach 81.1%, a decrease from 2019 which reached 93.7%, on the other hand, internet users have actually increased to 76.7% from 55.1% in 2019.

Several studies have been conducted in the scope of online streaming, but still show inconsistent results (Zhong et al., 2022; Xu et al., 2022.; Zhu et al, 2020). Zhong et al. (2022) shows that professionalism has no effect on purchase intention. This is different from Xu et al. (2022) which states that professionalism has a significant effect on purchase intention. In other variables Zhong et al. (2022) shows that trust has a significant effect on purchase intention, but in Zhu et al. (2020) trust has no influence on purchase intention. The differences in results from several studies have resulted in the emergence of a research gap which will then be examined further in this research.

This research contributes to closing the research gap, especially regarding the influence of professionalism and trust on purchase intention. Apart from that, this research contributes to explaining the live streaming phenomenon which is currently widespread in Indonesia, especially in terms of how buying interest is formed.

Wang et al., (2020) further explained that professionalism is about the live streamer's ability to know the product well, and whether they can provide relevant and accurate information about the product. According to Ajzen (2020), consumers will be more likely to buy a product if they have strong motivational intentions that are formed through the professionalism of the seller.

H1a: Professionalism has a positive effect on purchase intention

H1b: Professionalism has a positive and significant effect on trust

Interaction is a reciprocal relationship or response between individuals, between groups, or between individuals and groups (Anwar and Adang 2013). Wang et al. (2020) and Zhang et al. (2020) believe that the more live streamer hosts interact on live streaming platforms, the level of audience trust in live streamer hosts will increase.

H2a: Interaction has a positive effect on purchase intention

H2b: Interaction has a positive effect on trust

A special advantage of any live streaming is the ability to negotiate to obtain lower prices without sacrificing the quality of the products or services sold during live streaming sales (Wang et al., 2020). Lee and Chen (2021) further support that price will positively influence consumer behavior, which includes increased trust and perceived usefulness.

H3a: Price discounts have a positive effect on purchase intention

H3b: Price discounts have a positive effect on trust

The disadvantage of online shopping is that consumers cannot physically touch, test or try goods before purchasing, thereby increasing the risk (Wongkitrungrueng and Assarut, 2020). Hidayat et al. (2021), states that when consumers want to shop or make other online transactions, they need guarantees that the funds they send will not just disappear and the products they receive must match what was promised by the live streamer host.

H4: Trust has a positive effect on Purchase Intention

Professionalism and *Interaction* is believed to be able to build the level of customer trust (Alagarsamy et al., 2001). Wong et al. (2019), explains that trust mediates the relationship between security and customer loyalty in online shopping.

H5a: Trust mediates the relationship between Professionalism and Purchase Intention

H5b: Trust mediates the relationship between Interaction and Purchase Intention

H5c: Trust mediates the relationship between Price Discounts and Purchase Intention

The research was carried out by distributing an online questionnaire consisting of statements using a 5-point numerical scale. The sampling technique used is purposive sampling, and the target population is millennial generation and generation Z consumers who have visited and shopped via live streaming shopping on at least one type of platform or e-commerce live streaming shopping provider available in Indonesia at least 2 times in the last 6 months. The total number of samples was 151. The data was then analyzed using SEM (Structural Equation Modeling).

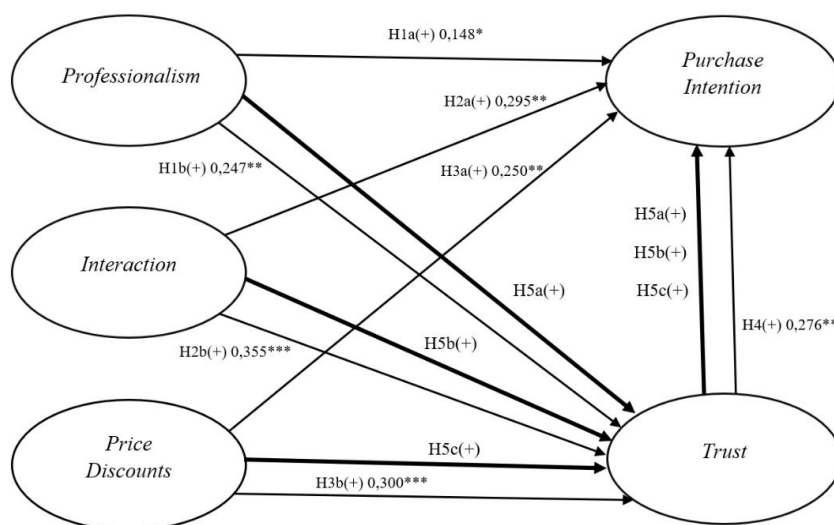
The results of hypothesis testing presented in the table 1. All hypothesis are supported.

Table 1. Hypothesis Test results

Hypothesis		Standardized Estimates	p-value	Information
H1a (+)	PRO→PI	0.148	0.084	Supported
H1b (+)	PRO→TR	0.247	0.003	Supported
H2a (+)	INT→PI	0.295	0.002	Supported
H2b (+)	INT→TR	0.355	***	Supported
H3a (+)	PD→PI	0.250	0.005	Supported
H3b (+)	PD→TR	0.300	***	Supported
H4 (+)	TR→PI	0.276	0.010	Supported
H5a (+)	PRO→TR→PI	-	0,000	Supported
H5b (+)	INT→TR→PI	-	0.003	Supported
H5c (+)	PD→TR→PI	-	0.002	Supported

The structural model image of the hypothesis test results is presented in Figure 1.

Figure 1. Structural model Result



Based on the results of research data processing and statistical data testing which were discussed previously, the conclusion was obtained that all 10 hypotheses were supported. This research contributes by showing that professionalism and interaction influence purchase intention. Previously, in research by Zhong et al., (2021), these two variables were not supported by their influence on purchase intention. Another contribution of this research is the use of structural equation models in hypothesis testing which has advantages in robustness over the partial least squares technique. In this case, for entrepreneurs who want to sell via live streaming shopping in Indonesia, several important recommendations can be applied. The important variables here are interaction and trust. Create a pleasant atmosphere and provide guaranteed transactions for customers.

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