



## Factors that influence purchase intention social commerce TikTok shop in Indonesia

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**Abstract.** The purpose of this research is to examine TikTok Shop consumers in Indonesia. Questionnaires were collected from 165 TikTok Shop consumers in Indonesia, then the data were analyzed by using confirmatory factor analysis (CFA) and structural equations modeling (SEM). Data processing was performed using AMOS 24 software. The results show that economy (E), reliability (R), interaction (IN), and sales promotion (SP) are four significant factors to influence TikTok Shop consumer purchase intention (PI) in Indonesia. On the other hand Necessity (N) are non-significant factor of TikTok Shop consumer purchase intention (PI) in Indonesia.

**Keywords:** purchase intention, social commerce, TikTok Shop, reliability

### Introduction

In this era that relies on technology, of course, many companies utilize technology for their business continuity. One that has an impact on business today is digital marketing or marketing done digitally. The platform used by companies to carry out digital marketing strategies is social media. Dabbous et al. (2020) stated that in 2021 it is expected that active social media network users will reach 3.02 billion per month, meaning that it has reached one-third of the world's population. This is because social networks facilitate individuals or organizations to communicate with other individuals or organizations who have the same interest or interest in something and similar needs to share information (Ruas et al., 2017; Dabbous et al., 2020). This is what companies utilize as a communication channel with consumers to increase company sales.

Companies that utilize social media as a place to sell, or buy and sell transactions are called social commerce. Unlike e-commerce, which is a place or container specifically provided to connect sellers and buyers through a buying and selling application, social commerce conducts buying and selling transactions through social media. According to Chen and Wang (2016) in Dabbous et al. (2020) compared to ecommerce, social commerce is considered a new business model that is classified as having a high level of uncertainty and risk. The social-commerce approach is carried out because the first thing most people do when opening a smartphone is look at social media. This behavior is used by marketers to provide interesting

and informative content in the hope that it can distract attention from the initial purpose of consumers when opening social media, to amaze consumers to make purchases of products offered by the company. The increasingly widespread social commerce movement has made several social media platforms facilitate their websites or applications with shopping features. In addition to helping business people and buyers make transactions in the application, the social media platform also benefits because it has a great opportunity to increase users on their social media and users spend longer time on their social media.

One of the well-known social commerce in Indonesia today is TikTok Shop. The TikTok platform has been widely used as a medium for companies to do digital marketing. As many as 24% of marketers admit that the TikTok application is effective for them to reach business targets. 35% of TikTok application users admit that they find and know products or brands through content creators from TikTok. 65% of TikTok application users confirmed that they were happy and entertained when TikTok content creators discussed products and brands in their videos. The percentage of consumers or TikTok users who admit that TikTok content can influence or inspire them to shop, even though they do not plan to make a purchase is 67%. 73% of TikTok users also feel that they have a closer relationship with brands when interacting through TikTok.

This study was conducted to determine what factors influence purchase intention on TikTok social commerce in Indonesia. The purpose of this study is to examine how the variables of economy, necessity, reliability, interaction, and sales promotion affect the purchase intentions variable. Research conducted by (Sohn & Kim, 2020; Dabbous et al., 2020; Ruswanti et al., 2019) has discussed how each of these variables affects purchase intention in social commerce, and there are differences in research results in the three journals. The differences in research results include the effect of interaction variables on purchase intentions and the effect of sales promotion variables on purchase intentions.

Dabbous et al. (2020) state that economy in the context of social commerce is the hope or expectation of benefits obtained by consumers by buying goods or services in social commerce. In Sohn and Kim's research (2020) economy has a positive effect on purchase intention.

According to Sharma et al. (1994), necessity is the consumer's perception of a product or service as important in everyday life. Sohn and Kim's research (2020) shows that necessity has a positive influence on purchase intention.

Based on Santos (2003, p. 24) in Dhingra et al. (2020) reliability is the ability to deliver the promised service accurately and consistently. In Sohn and Kim's research (2020) reliability has a positive influence on purchase intention.

According to Godes et al. (2005) in Wang and Yu (2017) interaction is defined as any level of action taken by individuals that has an impact on the assessment of other consumers of a product or service. Research conducted by Dabbous et al. (2020) found that interaction has a positive and significant effect on purchase intention.

According to Sohn and Kim (2020), sales promotion is a marketing activity that provides additional incentives in the form of online coupons, lottery offers, discounts, and price reductions in a short period of time, to get a response from consumers quickly. Sales

promotion is a major component and tool used by marketers and has often been used by companies or brands to gain competitiveness, increase sales, and attract consumer purchase intention (Bhatti, 2018). In Sohn and Kim's research (2020) Sales promotion is proven to have a positive and significant influence on purchase intention.

Purchase intention for Mirabi et al. (2015) is the willingness, desire, and preference that consumers have that will encourage consumers to buy a product. Schiffman and Kanuk (2007) in Gorji and Siami (2020) purchase intention refers to future consumer plans to buy the goods or services they want. According to Groß (2018) in Julio et al. (2021) intention towards a behavior refers to an individual's willingness to do something but not yet take any action.

Based on the background of the problem, the hypothesis proposed is as follows:

- H1. The economy has a positive effect on social commerce purchase intention
- H2. Necessity has a positive effect on social commerce purchase intention
- H3. Reliability has a positive effect on social commerce purchase intention
- H4. Interaction has a positive effect on social commerce purchase intention
- H5. Sales promotion has a positive effect on social commerce purchase intention

## Research Methods

This study discusses the relationship between the variables of economy, necessity, reliability, interaction, and sales promotion on the purchase intentions variable so that this research can be categorized as causal research. Causal research itself is defined as research that has the aim of indicating the relationship between the cause and effect of an event. The approach used in this research is quantitative, this is because in this research the data processing system used tends to use numbers. To collect data, this research utilizes the online questionnaire feature on the internet to facilitate the process of obtaining data directly from respondents, this method is referred to as the survey method. This study has a total of 6 variables with 5 independent variables and 1 dependent variable. The variables included in the independent variables are economy, necessity, reliability, interaction, and sales promotion. While the variable included in the dependent variable is purchase intentions.

The data in this study were obtained directly from respondents so that the type of data used in this study can be categorized as primary data. The data used in this study were obtained through a questionnaire distributed online regarding "Factors Affecting Purchase Intention of TikTok Shop Social Commerce consumers in Indonesia" which contains independent variables, namely economy, necessity, reliability, interaction, and sales promotion, as well as the dependent variable, namely purchase intention as an indicator of the questionnaire question structure. The subjects or respondents in this study are TikTok or TikTok Shop consumers in Indonesia.

This study uses the interval measurement level, which has a similar and clear distance or difference scale. In the questionnaire, respondents will be given answer choices using a numerical scale of 1 - 5 with information 1 = Strongly Disagree to 5 = Strongly Agree.

The population targeted in this study are TikTok Shop consumers who have made purchases in the last 6 months. The characteristics of the respondents needed are: (1) TikTok Shop consumers who made purchases at least 3 times during the last 6 months, (2) Domiciled

in Indonesia, and (3) Aged 18 years and over, this is due to the policy of TikTok itself which states that the minimum age limit for consumers who can use the TikTok Shop feature is 18 years.

This research uses a sampling technique known as nonprobability sampling, which is not randomly selected, meaning that part of the population that becomes the sample is filtered by chance or the researcher has determined the frame from the beginning. This research also applies a purposive sampling method where data samples are taken through certain considerations, for example, the character or characteristics of the population.

## Results and Discussion

The validity test is a benchmark in measurement that is useful for showing that the instrument used for measurement is correct. To find out whether each construct in the research model is valid, namely when the results of processing the data show a significant value, namely  $\alpha < 0.05$ . Then to test whether the sample data is reliable or not, this study uses Cronbach alpha, which aims to determine how consistent the respondents are in filling out the questionnaire answers. In this variable test, the requirement is the result of Cronbach alpha  $> 0.6$ . This is to show that the resulting data can be trusted. The questionnaire was distributed to obtain 174 respondents but only 165 respondents fit the criteria and passed to proceed to the next stage. After the sample data is measured using the measurement model and structural model, it can proceed to the hypothesis testing stage.

The measurement model in this study was obtained from data processing carried out through AMOS 24 software. The measurement model was analyzed using Confirmatory Factor Analysis (CFA) which was applied to each variable indicator in the study. The following is a table of Goodness of Fit test results in the measurement model:

**Table 1. Results of Goodness of Fit Measurement Model**

NO.	Index	Criteria	Results	Description
1.	CMIN/DF	$\leq 3$	1,497	Good Fit
2.	RMSEA	$\leq 0,08$	0,055	Good Fit
3.	GFI	$0,8-0,9 \geq 0,9$	0,845	Marginal Fit
4.	CFI	$0,8-0,9 \geq 0,9$	0,934	Good Fit
5.	TLI	$0,8-0,9 \geq 0,9$	0,924	Good Fit

After all Goodness of Fit values and standardized loading values have met the criteria, then the validity and reliability tests are carried out on each variable using AMOS 24 software. To check the overall validity, it can be seen through the standardized loading value and Average Variance Extracted (AVE).

**Table 2. AVE and CR**

Variables	Indicator	Standard Loading	AVE	CR	Description
Economy	E1	0,833	0,602	0,857	Valid and Reliable
	E2	0,644			Valid and Reliable
	E3	0,765			Valid and Reliable
	E4	0,845			Valid and Reliable
Necessity	N1	0,714	0,525	0,767	Valid and Reliable
	N2	0,660			Valid and Reliable
	N3	0,793			Valid and Reliable
Reliability	R1	0,634	0,492	0,853	Valid and Reliable
	R2	0,724			Valid and Reliable
	R3	0,669			Valid and Reliable
	R4	0,753			Valid and Reliable
	R5	0,754			Valid and Reliable
	R6	0,677			Valid and Reliable
Interaction	IN1	0,726	0,542	0,826	Valid and Reliable
	IN2	0,747			Valid and Reliable
	IN3	0,712			Valid and Reliable
	IN4	0,759			Valid and Reliable
Sales Promotion	SP1	0,765	0,502	0,751	Valid and Reliable
	SP2	0,678			Valid and Reliable
	SP3	0,680			Valid and Reliable
Purchase Intention	PI1	0,777	0,520	0,866	Valid and Reliable
	PI2	0,720			Valid and Reliable
	PI3	0,716			Valid and Reliable
	PI4	0,727			Valid and Reliable
	PI5	0,672			Valid and Reliable
	PI6	0,711			Valid and Reliable

The standardized loading value ( $\lambda$ ) with a minimum of 0.5 or more, and ideally 0.7 or more, has shown good validity. Meanwhile, AVE with a minimum value of 0.5 indicates good validity, while reliability can be seen through the Construct Reliability (CR) results which are between 0.6 and 0.7 or  $\geq 0.7$ . Even though the AVE value on variable R is less than 0.5, the CR has met the criteria so the data is still said to be valid and reliable. According to Verhoef et al. (2002) if all CR values on each variable have reached the criteria, then if there is an AVE value that does not reach the criteria it does not matter, and the data can still be said to be valid and reliable.

**Table 3. Results of Goodness of Fit Structural Model**

No.	Index	Criteria	Results	Description
1.	CMIN/DF	$\leq 3$	1,497	Good Fit
2.	RMSEA	$\leq 0,08$	0,055	Good Fit
3.	GFI	$0,8-0,9 \geq 0,9$	0,845	Marginal Fit
4.	CFI	$0,8-0,9 \geq 0,9$	0,934	Good Fit
5.	TLI	$0,8-0,9 \geq 0,9$	0,924	Good Fit

The results of the Goodness of Fit structural model show good results so that it can proceed to the next stage, namely hypothesis testing which also uses AMOS 24 software, to test the relationship between variables. The hypothesis is said to be supported if it meets the following conditions: (1) The standardized estimate value describes the direction of the hypothesis following the empirical results, (2) The amount of influence must be significant which is indicated by the Critical Ratio | CR |  $\geq 1.96$  value at  $\alpha = 0.05$  or p-value  $< 0.05$ .

**Table 4. Hypothesis Test Results**

Hypothesis	Std. Estimate	C.R	P-value	Description
H1(+) E $\rightarrow$ PI	0,245	2,620	0,009	Supported Hypothesis
H2(+) N $\rightarrow$ PI	-0,295	- 1,919	0,055	Unsupported Hypothesis
H3(+) R $\rightarrow$ PI	0,652	3,443	***	Supported Hypothesis
H4(+) IN $\rightarrow$ PI	0,250	2,116	0,034	Supported Hypothesis
H5(+) SP $\rightarrow$ PI	0,192	2,072	0,038	Supported Hypothesis

Based on these results, it can be stated that 4 hypotheses are supported and 1 hypothesis is not supported.

Figure 1 shows that 4 out of 5 hypotheses are supported. The 4 supported hypotheses include economy, reliability, interaction, and sales promotion on purchase intention. The other

1 hypothesis that is not supported is necessity of purchase intention. This means that Indonesian people agree that the variables of economy, reliability, interaction, and sales promotion have a significant influence on the purchase intention of TikTok Shop consumers in Indonesia.

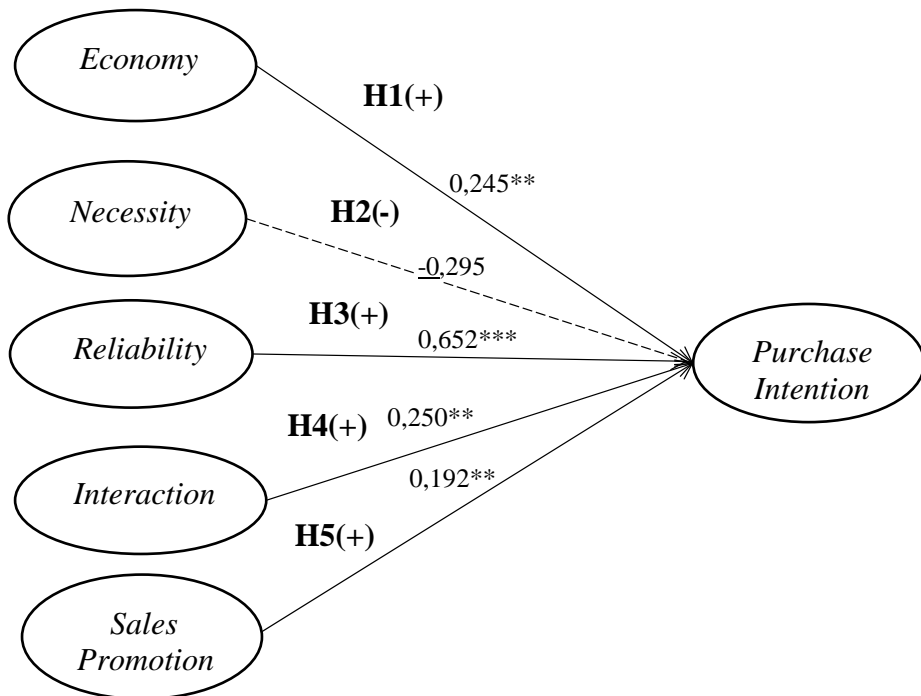


Figure 1. Research Model Results

Description:

The numbers shown indicate the value of standardized estimates

The dotted line indicates an unsupported hypothesis

\*\* Significant coefficient at p-value <0.05

## Discussion

The first hypothesis is supported because it is found that the *economy* has a positive effect on the purchase intention of TikTok Shop consumers in Indonesia, this result is in line with previous research, namely Sohn and Kim (2020) which shows that the economy has a positive and significant effect on purchase intention.

The second hypothesis is stated to be unsupported because it is found that necessity does not have a positive effect on the purchase intention of TikTok Shop consumers in Indonesia, this result is in line with previous research, namely Malik et al. (2017) which shows that necessity does not have a positive influence on purchase intention. Currently, there are

many options for online shopping related to any product so that to buy the desired product and the acquisition of expedition services that cover consumer areas can also be found on other shopping sites, so this is not a new experience for consumers so it is not able to encourage consumer purchase intention.

The third hypothesis is supported because it is found that reliability has a positive effect on the purchase intention of TikTok Shop consumers in Indonesia, this result is in line with previous research, namely Sohn and Kim (2020) which states that reliability has a positive influence on purchase intention.

The fourth hypothesis is supported because it is found that interaction has a positive effect on the purchase intention of TikTok Shop consumers in Indonesia, this result follows previous research, namely Dabbous et al. (2020) which states that interaction has a positive influence on purchase intention.

The fifth or final hypothesis is supported because it is found that sales promotion has a positive effect on the purchase intention of TikTok Shop consumers in Indonesia, this result is in accordance with previous research, namely Sohn and Kim (2020) which states that sales promotion has a positive influence on purchase intention.

It is known that economy, reliability, interaction, and sales promotion have a positive effect on the purchase intention of TikTok Shop consumers in Indonesia. It can be said that consumers' purchase intention towards TikTok Shop is driven by the low price of TikTok Shop products, information about products at TikTok Shop is reliable, consumers can interact with sellers and between consumers and share information about products, as well as product promos and subsidized shipping costs. This can be utilized by TikTok Shop or other social commerce as a strategy to increase the number of consumers.

Of the 4 supported hypotheses, reliability is the driving factor that has the most influence on purchase intention because the standardized estimate is greater than the other variables, which is 0.652, meaning that consumers rely on and have confidence in TikTok Shop both in terms of information shared and products sold. Therefore, TikTok Shop must be able to maintain these values and increase the indicators that make TikTok Shop's reliability value high in consumer perceptions.

The second variable that has the most influence on purchase intention is interaction, as seen from the standardized estimate of 0.250. This shows that the ease of interacting with sellers and consumers provides a positive experience to consumers because the more positive information consumers get about the product, the greater the consumer's purchase intention.

Economy is the third variable that influences purchase intention, the standardized estimate value is 0.245. The low price of products at TikTok Shop affects consumer purchase intention, this is related to the sales promotion variable which has a standardized estimate of 0.192, indicating that promos in the form of discounts or discounts to shipping subsidies make consumers interested in buying at TikTok Shop.

This study has limitations, it is hoped that the limitations in this study can provide opportunities and opportunities as well as material for further research in the future. Although this study has TikTok Shop consumers as the target in Indonesia, the questionnaires were not distributed evenly throughout Indonesia and the questionnaire did not include the

respondent's region of origin so it is not certain which area the respondent came from. So in future studies, it may be possible to use specific regional targets to be able to test the variables of economy, necessity, reliability, interaction, sales promotion, and purchase intention with consumer characteristics from different regions. This research only focuses on TikTok Shop, while there are social commerce options that can be used as material for further research such as Facebook Marketplace, Instagram Shopping, and others. Respondents are dominated by respondents who have an age range of 18-25 years and the fewest respondents are respondents over 40 years old, so further research can distribute questionnaires at a more varied age or focus on ages over 40 to see how consumer behavior is at a certain age.

## Conclusion

The findings of this study underscore that four out of five tested hypotheses—economy, reliability, interaction, and sales promotion—positively influence the purchase intentions of TikTok Shop consumers in Indonesia, while necessity does not significantly impact purchase intention. Among these factors, reliability emerged as the most influential, indicating that TikTok Shop's ability to consistently deliver accurate and dependable product information significantly strengthens consumer trust. Interaction also plays a key role, highlighting the importance of engagement between consumers and sellers on the platform, which enhances consumer purchase intentions. This suggests that TikTok Shop could focus on further developing its reliability and interaction features to enhance user experience and encourage purchases. Future research could expand on these findings by focusing on different regional demographics within Indonesia to assess if regional consumer behavior varies in response to these factors. Additionally, exploring other social commerce platforms like Facebook Marketplace or Instagram Shopping could offer a comparative view of purchase intentions across platforms. Studies focusing on older demographics could also provide insights into age-related preferences and behaviors, which could further guide tailored marketing strategies for diverse age groups.

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