

CUSTOMER ENGAGEMENT ON PURCHASE INTENTION AND PURCHASE DECISIONS AT SHOP PEDIA

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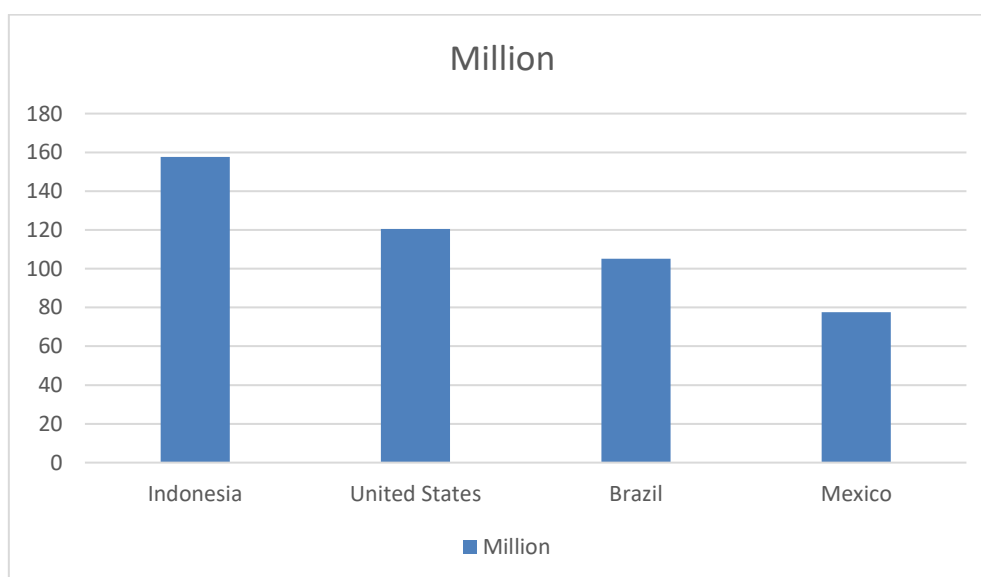
Abstract

The development of social media, especially TikTok, has brought about a significant transformation in consumer behavior in the digital era. TikTok, originally an entertainment platform, now acts as an e-commerce platform through a basket feature that allows direct in-app purchases. This research analyzes the influence of customer engagement on buying intention and purchasing decisions among Generation Z in Sumbawa City. Using the Stimulus-Organism-Response (SOR) theory as a basis, this research utilizes a quantitative approach with purposive sampling involving 103 respondents collected through an online survey. The results of the regression analysis show that customer engagement has a positive and significant influence on purchase intention ($R^2=0.522$, $p<0.05$) and purchasing decisions ($R^2=0.502$, $p<0.05$). Direct interaction is like giving likes and comments, and watching live streaming has proven to improve consumers' emotional experiences that drive purchasing decisions. These findings provide important insights for business owners in leveraging marketing and engagement-based strategies to increase consumer engagement and loyalty through the TikTok platform.

Keyword: Customer Engagement; Purchase Intention; Purchase Decisions; Social Media.

INTRODUCTION

Social media is one of the driving aspects of the digital-based economy in Indonesia because it can help business owners market their products effectively and efficiently. Social media allows business actors, from small to large scale, to market products effectively and efficiently by reaching consumers widely. One social media platform that has experienced rapid growth in recent years is TikTok. Currently, Indonesia is ranked first in TikTok users in the world, this can be seen from the following data.



Source: *Statesman*

Indonesia is in first place as a country with 157.6 million TikTok users, the United States with 120.5 million, Brazil with 105.2 million, and Mexico with 77.54 million. TikTok acts as an

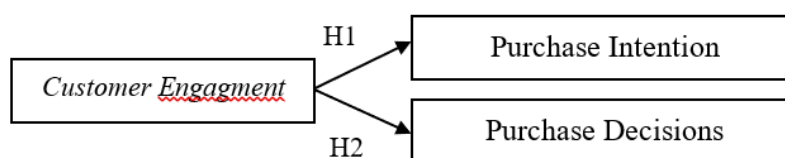
entertainment medium and has developed into an online store with a yellow cart feature. This feature lets users purchase directly through the application without leaving the platform. However, the Indonesian government feels that social media, which doubles as e-commerce, can create unhealthy trade competition. To overcome this, TikTok is collaborating with Tokopedia to comply with government regulations. Due to regulatory challenges imposed by the Indonesian government, TikTok Shop has transformed into Shop Tokopedia, resulting from a collaborative partnership with the Tokopedia marketplace.

As a social media platform, TikTok has various features that support marketing campaigns. These features include sharing videos, photos and live streaming. Based on Populix's (2023) Live research shopping, The one with the most users is Shopee at 69%, followed by TikTok at 25%; although it is still less than Shopee, this is a pretty good step. Live streamers' influence on consumer purchasing decisions has become a topic of increasing intention, as evidenced by research conducted by Manzil and Vania (2023). Video sharing and live-streaming activities can create close relationships with consumers. Interaction on live streaming allows consumers to have an online shopping experience similar to offline shopping because they can directly see the items they want. Direct interaction will build an emotional connection, encouraging consumers to purchase products or services. Research by Zheng et al. (2022) states that customer engagement encourages consumers to purchase. Engagement can be formed from the intentional activity of the social media platform.

The trend of shopping at Shop Tokopedia only applies to big cities in Indonesia. Cities such as Sumbawa City are also part of the shopping trend at Shop Tokopedia. Generation Z, who are very active on social media, especially TikTok, contributes to the number of Shop Tokopedia consumers. Based on the background above, the author intends to research "Customer Engagement on Intention and Purchasing Decisions at Shop Tokopedia among Generation Z in Sumbawa City."

RESEARCH METHOD

This research is explanatory research with a quantitative approach. In this study, the type of sample used is Non-Probability Sampling with a purposive sampling method. Determining the number of samples in this study used the Paul Leedy formula because the population size was uncertain. The study was conducted on Generation Z in Sumbawa City, NTB. Generation Z is a society born from 1996 to 2012. According to APJII data (2023), Generation Z has the highest internet penetration of 34.4%. Data was collected from 103 respondents through a Google Forms survey distributed via the Internet platform and WhatsApp. The researcher used a simple regression analysis technique to determine how customer engagement affects Gen Z's purchase intention and Shop Pedia (TikTok Shop) decisions. In this study, there are two models used. The first model is to see how customer engagement affects purchase intention, then the second is to see how customer engagement affects decisions.



The empirical equations of the research model used are:

Model 1. Purchase Intention Equation

$$Interest_Buy = \beta_0 + \beta_1 ce + and_i$$

Model 2. Purchase Decision Equation

$$Purchase_Interest = \beta_0 + \beta_1 ce + and_i$$

Where CE is *Customer Engagement*. The equation one model shows how *Customer Engagement* on buying intention. Meanwhile, the second equation model shows how the influence is *Customer Engagement* against the purchase decision.

RESULTS and DISCUSSION

Based on the results of filling out the questionnaire that has been distributed, there are 63.1% of respondents with female gender and 36.9% of respondents with male gender. This phenomenon shows the dominance of women in online shopping activities. Purnamasari & Tutiasri (2021) stated that women have excessive shopping behavior; this cannot be separated from the demands of women's dynamic lifestyle.

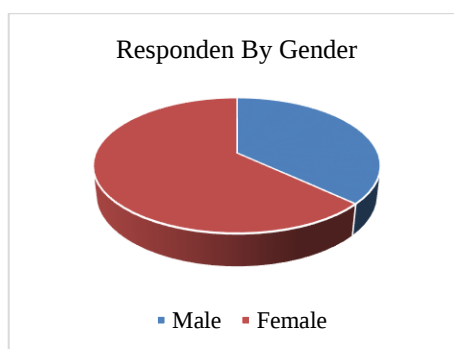


Figure 2. Respondents by Gender

Based on the frequently purchased item categories, it shows that the most frequently purchased by respondents are the fashion category (52.4%), followed by beauty and health products (21.4%). This phenomenon indicates women's primary focus on needs that support appearance and self-care. Research by Siregar et al. (2023) also supports this finding. Women often buy fashion, skincare, and body care products to maintain their appearance, prestige, and the desire to look attractive.



Figure 2. Respondents By item

Regression results for the purchase intention equation model.

VARIABLES	(1)
	Hasil Regresi
CE	1.074*** (0.101)
Constant	5.489*** (1.555)

Observations	103
R-squared	0.522
Robust standard errors in parentheses	
*** p<0.01, ** p<0.05, * p<0.1	

Based on the regression analysis done through Stata17, it can be concluded that Customer Engagement positively and significantly influences purchase intention. This conclusion is taken from the results of a significant statistical value of 0.00 or less than 0.05%. The phenomenon of customer engagement through activities such as watching, liking, and commenting is one of the main drivers of the online shopping journey. Data from Statista (2023) shows that Indonesia is one of the countries with the most TikTok users worldwide, with most users spending more than two hours a day watching short video content. Content such as beauty tutorials, product reviews, or fashion demos on TikTok is beautiful to women and is important in increasing trust in a product.

The existence of beauty brands that dominate TikTok cannot be separated from effective marketing strategies. Many brands use influencer marketing by collaborating with beauty influencers, tech reviews, and fashion influencers with millions of followers. Additionally, interactive content formats on TikTok, such as before-after videos, beauty challenges, or short tips, have an emotional impact. In their research, Zakiyah et al. (2024) found that content marketing that is packaged well will increase customer engagement. Content frequently liked, commented on, and visited by the creator's profile will always be recommended by the TikTok algorithm to the audience. The more Fyp or viral a product or service content is, the more likely it is to be popular.

Table 3 Regression results for the purchasing decision equation model

VARIABLES	(1)
	Hasil Regresi
CE	1.291*** (0.142)
Constant	8.984*** (2.207)
Observations	103
R-squared	0.502
Robust standard errors in parentheses	
*** p<0.01, ** p<0.05, * p<0.1	

For model equation 2, the regression analysis results also show that Customer Engagement has a positive and significant influence on purchasing decisions. This conclusion is seen from a statistically significant value of 0.00 or less than 0.05%. Overall, customer engagement through platforms like TikTok is important in influencing consumer shopping decisions, especially among women. With an interactive and relevant content strategy, brands can increase the appeal of purchasing products. Zheng., et al. (2022) stated that customer engagement influences interest and purchasing decisions. The TikTok platform has great potential as a primary marketing channel in the digital era. This phenomenon can occur because consumers can shop smoothly without switching applications after watching content about a product or service.

CONCLUSION

This study reveals that customer engagement positively and significantly influences Generation Z's purchasing interest and purchasing decisions in Sumbawa City on the TikTok Shop platform, which has transformed into Shop Tokopedia. With a social media base, TikTok has advantages with activities such as giving likes, comments, and watching live streaming which play an important role in creating emotional relationships with consumers, ultimately increasing interest and purchasing decisions. The impact of direct interaction and personal consumer experiences through social media can encourage purchasing behavior. This finding supports the Stimulus-Organism-Response (SOR) theory, where the stimulus in the form of customer engagement influences the response in the form of interest and purchasing decisions. Suggestion.

Future research can explore other variables such as consumer trust, customer satisfaction, or loyalty as mediating or moderating variables in the relationship between customer engagement and purchase intention and decision. In addition, it can also use different analysis tools, such as structural equation models, to emerge new models.

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