

Key Factors Influencing Purchase Intention in Live Streaming Platforms: A Conceptual Paper

Wan Nur Fazni Wan Mohamad Nazarie^{1*}, Fuadah Johari², Hanim Misbah³, Arif Hartono⁴

¹Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM)

^{2,3}Islamic Finance and Wealth Management Institute (IFWMI), Faculty of Economics and Muamalat,
Universiti Sains Islam Malaysia (USIM)

⁴Fakultas Bisnis dan Ekonomika, Universitas Islam Indonesia

*Corresponding author: fazni@usim.edu.my

ABSTRACT

This paper explores the factors influencing purchase intention in live-streaming commerce, focusing on the evolving dynamics of digital business and the conversion of website traffic into sales. Platforms such as TikTok, Shopee, and Lazada are discussed as examples of successful digital strategies. The paper emphasizes the transformative impact of the digital age on business practices, particularly in the context of live-streaming commerce. Key areas of focus include the roles of online customer reviews, influencer marketing, information richness, and customer engagement in shaping consumer purchase intention. By examining these elements, the paper aims to provide a conceptual framework for marketers to refine their strategies in the rapidly changing landscape of live-streaming commerce. This work contributes to the ongoing discourse on the potential and challenges of media-based marketing interventions in the digital era.

Keywords: Online customer reviews, influencer marketing, information richness, and customer engagement, purchase intention, live streaming commerce.

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1. INTRODUCTION

The communication landscape in marketing and advertising has experienced a profound shift, characterized by the growing dominance of digital media. This evolution has redefined the role of traditional media, with digital platforms providing marketers with cost-effective and highly interactive channels to engage with consumers. Over the past decade, the continuous advancement of digital innovation has propelled the widespread adoption of these new mediums, enhancing brand sustainability through digital advertising (Siregar et al., 2023). Nevertheless, the proliferation of digital channels has introduced substantial challenges to traditional marketing mediums such as magazines, newspapers, television, and billboards (Sari et al., 2023).

At the beginning of 2023, Malaysia had 33.03 million internet users, representing an internet penetration rate of 96.8 percent. In January 2023, Malaysia had 26.80 million social media users,

representing 78.5 percent of the total population. Additionally, there were 44.05 million active cellular mobile connections in the country, amounting to 129.1 percent of the population (DataReportal, 2023). These statistics highlight the rapid evolution of e-commerce in Malaysia, particularly the shift in online purchasing behavior among younger generations. The E-commerce sector has witnessed explosive growth, fundamentally transforming the way businesses and consumers interact, shop, and conduct transactions (Nawi et al., 2019). In this highly competitive digital market, optimizing website visits to convert into sales is critical for the success of online businesses. Platforms like TikTok, Shopee, and Lazada have emerged as dominant players, each employing distinct strategies to secure their positions in the digital marketplace.

1.1 Background

1.1.1 Social Media as Modern Business Strategies

Social media platforms like TikTok, Instagram, Shopee, and Lazada have become essential components of modern business strategies, enabling companies to effectively engage with consumers and influence purchasing behaviors. These platforms serve not only as marketing channels but also as dynamic spaces for direct interaction between brands and consumers, fostering discussions and the sharing of experiences. The substantial impact of platforms such as Facebook, Twitter, Instagram, and YouTube on consumer behavior and preferences highlights the critical need for businesses to develop and implement effective social media marketing strategies to succeed in the digital era. As Ho and Teo (2020) emphasize, Instagram is particularly influential in promoting products and enhancing brand image, leveraging its visual-centric features and strong brand engagement to drive customer purchase decisions effectively. Furthermore, live streaming services like Facebook Live have been identified as powerful tools for increasing customer engagement and loyalty by enhancing trust in sellers and their products, further underscoring the integral role of social media in contemporary business practices (Wongkitrungrueng & Assarut, 2020).

1.1.2 Live Streaming Commerce

The rising popularity of live streaming has significantly transformed the social media landscape, profoundly influencing consumer purchasing behavior. Platforms such as TikTok, Instagram, Shopee, and Lazada, with their diverse content offerings—including creative videos and live streams—have attracted widespread attention, prompting businesses to transition from traditional models to digital formats. This shift has particularly benefited small and medium-sized enterprises (SMEs), allowing them to sustain and expand their operations by leveraging live-streaming features to engage with broader audiences. Numerous studies have examined the various dimensions of social media's impact on SMEs, focusing on areas such as marketing strategies, customer engagement, competitive advantage, and overall business performance. According to Guo et al. (2020), live-streaming commerce represents a unique form of e-purchasing and social commerce, where companies collaborate with customers, community members, and broadcasters in real-time chat rooms to promote and sell products. This interactive format enables businesses to showcase and advertise products to a live, online audience, facilitating direct engagement through videos, chats, and other interactive tools, thereby fostering immediate connections between promoters and consumers (Hossain et al., 2023).

The influence of these platforms in the digital era extends beyond content sharing; they have become essential tools for real-time consumer engagement. The live-streaming capabilities of these platforms allow consumers to interact directly with products and vendors, creating a dynamic and personalized shopping experience. This study aims to explore the factors influencing consumer purchase intentions during live streams on TikTok, highlighting the importance of integrating digital business strategies with social media platforms like TikTok (Gesmundo et al., 2023). The research seeks to identify the elements that drive purchase intentions and to understand the broader implications for

digital marketing. The findings will contribute to a deeper understanding of the dynamics of digital consumer engagement and their implications for future marketing strategies.

1.2 Problem Statement

The rapid expansion of live-streaming commerce has fundamentally reshaped the digital marketing landscape, offering businesses new opportunities to engage consumers and drive sales. However, despite its growing prominence, there is still a limited understanding of the key factors that influence consumer purchase intention within this emerging platform. While traditional e-commerce strategies have been extensively researched, the unique dynamics of live-streaming commerce—marked by real-time interaction, influencer marketing, and social media integration—present both challenges and opportunities that remain underexplored.

Small and medium-sized enterprises (SMEs) are increasingly leveraging live-streaming platforms like TikTok, Shopee, and Lazada to reach broader audiences. Yet, without a thorough understanding of the primary drivers of consumer behavior in these environments, businesses may struggle to effectively convert consumer engagement into sales. Moreover, existing literature on digital marketing has not fully addressed the specific factors that make live-streaming commerce a powerful tool for influencing purchase decisions (Qing and Jin, 2022; Zhang et al., 2022). This study aims to fill this gap by investigating critical factors such as online customer reviews, influencer marketing, information richness, and customer engagement, all of which impact purchase intention in live-streaming commerce. By identifying and analyzing these elements, this research seeks to provide businesses with actionable insights to enhance their marketing strategies and improve their effectiveness in the increasingly competitive digital marketplace.

2. LITERATURE REVIEW

2.1 Purchase Intention

Purchase intention on online social media platforms reflects a consumer's readiness or propensity to buy products or services due to their engagement and interactions on these platforms (Xiao, 2019). As a primary indicator of actual consumer behavior, purchase intention plays a vital role in the success of e-commerce businesses (Alfred, 2013). In this context, purchase intention refers to the likelihood of customers making purchases through online shopping platforms, as highlighted by Siregar et al. (2023). According to Ajzen and Madden (1986), consumer intention measures an individual's willingness to engage in specific actions. A significant barrier to e-commerce growth has been identified as the reluctance to make online purchases, which requires further investigation. Kotler and Keller (2016) suggest that purchase intention can be evaluated using indicators such as transactional interest, referential interest, preferential interest, and explorative interest in Internet environment. Similarly, on social media platforms, live video streaming has been shown to enhance customers' online purchase intentions by reducing psychological distance and perceived risk, with the type of product moderating this effect.

2.2 Online Customer Reviews

Previous research has established that online customer reviews are an important component of electronic word-of-mouth (E-WOM), significantly influencing consumer purchase intentions. Lee and Shin (2014) found that high-quality reviews increase consumer interest and the likelihood of making a purchase. Similarly, Qin et al. (2023) argued that live streaming and online user reviews jointly influence purchase intention, sense of community, interactivity, perceived usefulness and trust, with customer involvement playing a mediating role. Reviews that meet specific criteria, such as content

accuracy and timeliness, help build trust, which leads to more favorable purchase decisions. Another study, Stouthuysen et al. (2018) also highlight the importance of initial trust for online shoppers, noting that vendor-specific guarantees can increase institutional trust, while customer reviews increase competence trust. The quality of arguments in reviews, especially their accuracy and completeness, is directly linked to consumer purchase decisions (Thomas et al., 2019). In addition, peripheral cues such as reviewer expertise and review platform reputation also influence purchase intention (Thomas et al., 2019).

The interactive nature of live streaming further enhances E-WOM by providing real-time support that effectively increases purchase intention (Zhang et al., 2022). Live streaming allows consumers to witness product demonstrations and receive instant feedback, which reinforces their purchasing decisions (Lu & Chen, 2021). Emotional engagement during live streaming strengthens purchase intentions by building trust and fostering brand loyalty (Zhou and Tong, 2022). While information overload can sometimes hinder purchase decisions, live streaming helps streamline relevant information, enabling faster and more confident decision making. The synergistic effect of high-quality reviews and live streaming interactions significantly increases purchase intent. As E-WOM continues to play an important role in consumer decision making, live streaming is emerging as an important tool to drive online purchases.

Therefore, the hypothesis is:

Hypothesis 1: Online customer reviews positively impact purchase intention on live-streaming platform

2.3 Influencer Marketing

Influencer marketing, particularly when combined with live streaming, has emerged as a powerful tool in shaping consumer behavior and driving online purchases. In live-streaming sessions, influencers engage directly with their audience, providing real-time endorsements and personal experiences that build trust and credibility (Sun et al., 2021). This interactive format allows influencers to showcase products, answer questions, and create a sense of urgency, which can significantly enhance purchase intentions. The immediacy and authenticity of live streaming amplify the impact of influencer marketing by fostering emotional connections and providing consumers with a richer, more immersive shopping experience (Wongkitrungrueng & Assarut, 2020). The influence of social media influencers on consumer purchase intention has become a prominent research area in recent years. Numerous studies have examined how various characteristics of influencers, including trustworthiness, credibility, and content quality, impact consumer behavior and purchase decisions (Boerman, Willemsen, & Van Der Aa, 2017). Ao et al. (2023) found that social media influencers' entertainment value and credibility significantly impact customer engagement and purchase intention, with entertainment value being the strongest factor. Additionally, consumer attitudes toward influencer marketing have the highest impact on purchase intention, followed by trust and brand attitude (Mishra, 2023). Consequently, platforms like TikTok, Instagram, and YouTube have become crucial in leveraging live streaming to boost online sales, with trust in the influencer playing a pivotal role in shaping consumer behavior and purchase outcomes (Nafees et al., 2021). Therefore, the hypothesis is:

Hypothesis 2: Influencer marketing positively impacts purchase intention on live-streaming platform

2.4 Information Richness

Information richness refers to the amount and quality of information transmitted through a communication channel, particularly when dealing with ambiguous situations (Purdy & Nye, 2000). According to Yen (2014), Information richness is positively related to customer purchase intention, and

it complements both retailer brand and extended offers, while extended offers may substitute retailer brand for increased purchase intention. . The relationship between information richness and purchase intention has become a central theme in recent e-commerce and marketing research. In this study, information richness is defined as the variety of information that helps consumers find the products they need online. Internet information richness increases mutual fund investors' perceived quality and decreases their perceived risk, which in turn influences their perceived value and purchase intention (Wang, 2015). Moreover, it plays a crucial role in shaping their decision-making process and, consequently, their intention to purchase a product or service. High-quality and credible information positively impacts information usefulness, which is a strong predictor of purchase intention. Therefore, it is hypothesized:

Hypothesis 3: Information richness positively impacts purchase intention on live-streaming platform

2.5 Customer Engagement

Customer engagement is a multidimensional construct that encompasses both psychological and behavioral components. From a psychological perspective, engagement is seen as a state of connection with an interactive platform, while the behavioral perspective considers non-transactional activities that influence business outcomes (Blasco-Arcas et al., 2014). Customer engagement, which includes various forms of interaction and involvement with a brand or product, is believed to have a significant impact on consumers' purchase intentions. Prentice et al. (2019) argue that customer engagement within online communities positively affects purchase intention. Similarly, Zheng et al. (2022) found that higher levels of customer engagement are positively associated with purchase intention, as increased interaction often leads to stronger consumer relationships and a greater likelihood of purchase. Metrics such as social media interactions, page views, followers, likes, and shares serve as indicators of customer engagement, which can moderate the effectiveness of social media marketing strategies (Gesmundo, 2022). The positive relationship between engagement and purchase intention highlights the importance of fostering strong consumer relationships to drive sales and enhance marketing outcomes (Zheng et al., 2022). Thus, the hypothesis is:

Hypothesis 4: Customer engagement positively impacts purchase intention on live-streaming platform

The conceptual framework shown in Figure 1 is proposed.

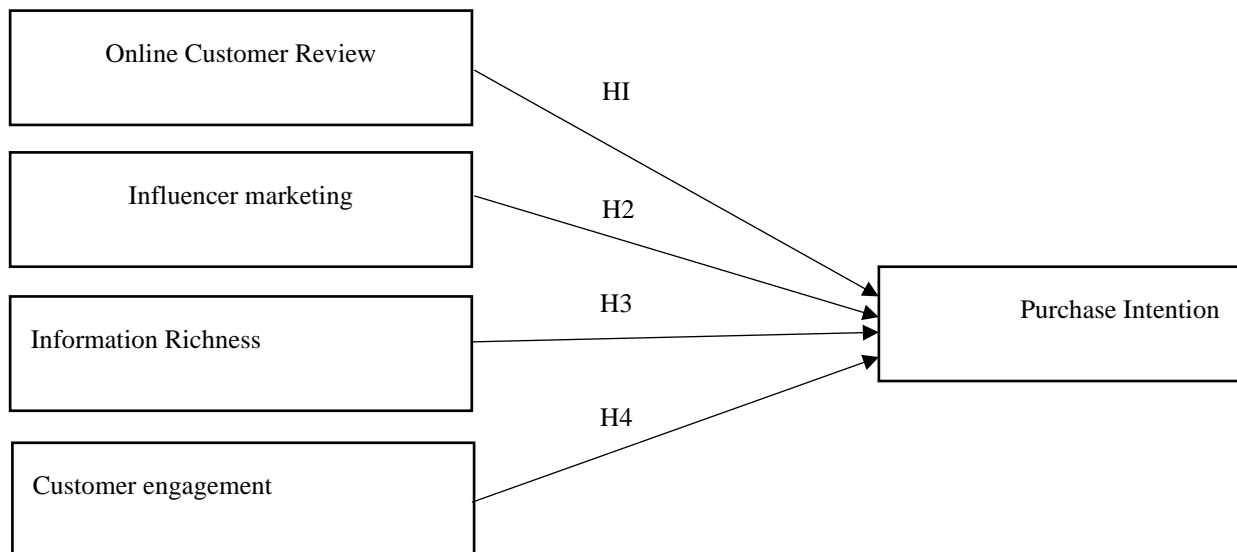


Figure 1: Conceptual framework on purchase intention on live streaming platform.

3. METHODOLOGY

This paper is a conceptual paper that will apply a quantitative research paradigm. Quantitative methods are essential tools in various fields of research, providing a means to measure, analyze, and interpret data numerically. The primary objective of a research design is to enable the researcher to provide clear and precise answers to the initial research questions. Therefore, establishing a well-defined research design is essential for achieving a comprehensive understanding of each stage of the research process.

This study adopts a descriptive research design, which is particularly appropriate given the researcher's familiarity with the issue at hand. This design is effective for examining the relationships under investigation, as well as for testing the hypotheses and addressing the research questions posed. Data collection for this study will be conducted at a single sampling point, utilizing a quantitative approach through the distribution of questionnaires. The collected data will be subjected to analysis using the Statistical Package for the Social Sciences (SPSS) software.

4. PRACTICAL IMPLICATIONS

This research has significant value as it provides a comprehensive conceptual framework for understanding the factors influencing purchase intention in the context of the rapidly growing live-streaming trade. By examining key elements such as online customer reviews, influencer marketing, information richness, and customer engagement, this study offers critical insights into the mechanisms driving consumer behavior in live-streaming environments.

For businesses, particularly small and medium-sized enterprises (SMEs), the findings of this study are pivotal in guiding the development of effective digital marketing strategies. Understanding the interplay between these factors and their impact on purchase intention can help marketers optimize their use of live-streaming platforms, thereby enhancing consumer engagement, fostering brand loyalty, and ultimately increasing sales conversions. From an academic standpoint, this research makes a valuable contribution to the existing literature by synthesizing current theories and providing a foundation for future empirical studies. It underscores the importance of integrating various aspects of digital marketing to develop a more holistic understanding of consumer behavior in the digital age. The conceptual framework proposed in this study can serve as a reference point for researchers and practitioners seeking to explore the complex dynamics of live-streaming platform and its implications for business success. In sum, this study is of significant relevance in both practical and theoretical contexts, offering actionable insights for businesses while also advancing scholarly knowledge in the field of digital marketing and e-commerce.

5. CONCLUSION

This conceptual paper has explored the critical factors influencing purchase intention within the context of live-streaming platform. The increasing dominance of digital platforms such as TikTok, Shopee, and Lazada has transformed traditional business models, offering new opportunities and challenges for marketers. By leveraging live-streaming features, these platforms have enabled businesses, particularly small and medium-sized enterprises (SMEs), to engage with broader audiences and enhance their digital presence. The study highlights key elements—such as online customer reviews, influencer marketing, information richness, and customer engagement—that significantly impact consumer purchase intentions. Online customer reviews serve as a crucial form of electronic word of mouth (E-WOM), directly influencing consumer trust and purchase decisions. Influencer marketing, particularly when integrated with live streaming, has emerged as a powerful tool in shaping consumer behavior by providing real-time endorsements and fostering emotional connections. Information richness, defined by the quality and depth of information provided, plays a

vital role in guiding consumer decision-making, although an overload of information can sometimes hinder this process. Customer engagement, a multidimensional construct, is shown to have a strong positive relationship with purchase intention, emphasizing the importance of building robust consumer relationships through interactive platforms. This paper contributes to the ongoing discourse on the evolving dynamics of digital commerce, offering valuable insights for marketers seeking to refine their strategies in the rapidly changing landscape of live-streaming platform. Future research should empirically test the proposed conceptual framework to validate these findings and further explore the complex interplay of factors influencing purchase intention in live-streaming environments.

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