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# The Influence of Social Presence on Purchase Intention in Live Video Commerce (Empirical Study in Bandung City)

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**Keywords:** Social Presence, Live Video Commerce, Purchase Intention.

Abstract: The rapid development of internet technology has changed the way we live and interact. The increasing number of internet users in Indonesia has encouraged business actors to be more innovative in marketing their products digitally. The emergence of direct shopping features on various social media platforms has revolutionized the way consumers shop, allowing transactions to occur instantly and interactively. There is competition between e-commerce that uses live video features such as Shopee, TikTok, Tokopedia, and Lazada. This study aims to determine the role of social presence on purchase intention mediated by immersive experience and trust in live video commerce features in Indonesia. The research methodology employed is a descriptive and quantitative approach, which utilizes data acquisition techniques through online questionnaires to obtain 385 respondents. Purposive sampling is implemented in conjunction with nonprobability sampling. The data collected will be analyzed using SmartPLS version 3.9. The results of this study found that social presence has no effect on purchase intention.



### Introduction

Internet technology is currently developing very rapidly, making human life easier (Sukmaningrum, et al 2022) that is what causes internet users in Indonesia to continue to grow. According to (Aprilia, et al 2021) said that technology is experiencing very rapid growth so that people consider it can provide benefits to support work or daily activities. The Indonesian Internet Service Providers Association (APJII) reported in February 2024 that the internet user base in Indonesia reached 221,563,279 individuals, which accounts for 27% of the total population of 278,696,200 Indonesians in 2019. Based on the findings of the 2024 Indonesian internet penetration survey published by APJII, the present internet penetration rate stands at 79.5%, reflecting a 1.4% rise from the preceding period APJII (2024). This graphical representation illustrates that the substantial population of internet users presents significant prospects for the advancement of electronic commerce. This is because the main target market for e-commerce is internet users (Prasetio Adhi, et al 2021).

According to Chaffey Dave (2012), the high number of internet users encourages business people to be more creative in promoting their products through digital platforms. Digital promotion is a marketing strategy that utilizes digital media such as websites, social media, email, databases, mobile/wireless, and digital TV. The goal is to increase awareness, understand customer profiles and behavior, build customer loyalty and increase purchase intention. In addition to creating interesting content, business people must master all the features available on all platforms including e-commerce. E-commerce is an important means of disseminating product information and expanding the market in achieving global profit and competitiveness (Srisadono, 2018). Valarezo, et al (2018) said that e-commerce offers a wider variety of products and changes the company's marketing strategy.

This can increase customer demand and encourage companies to continue to innovate. In the world of marketing, social media can be a platform for companies to advertise their products to customers and reach new audiences (Kotler, P., & Keller, 2012). Currently, along with the development of technology, social media is developing innovative shopping features that allow sellers and buyers to make transactions directly within their applications. Interaction has become an integral component of modern interactive marketing strategies (Wang, 2021). Through the use of virtual reality simulations, chatbots, voice-activated content, interactive short videos, live video commerce, mobile and messaging applications, it is possible to actively engage with customers, stimulate their involvement, and establish a marketing process that generates mutual value. In recent years, the live video commerce feature on several e-commerce platforms has grown rapidly, such as Shopee, TikTok, Tokopedia, and Lazada, becoming the main marketing strategy to promote brands and sales. Live video commerce is the main attraction that not only increases people's spending, but also becomes the main strategy for business actors, both local brands and MSMEs.

It is known that in the Indonesian market, 78% of customers have heard and know about the alternative of shopping through the live video commerce feature, and 56% of customers have made purchases through live video commerce. With the live video commerce

feature, it can make it easier for customers to interact directly in meeting their needs, thus increasing purchasing interest. Shopping through the live video commerce feature is a new trend that is quite popular in Indonesia (Hanoky, 2023). Live video commerce marketing involves sellers showcasing their products using real-time video, while customers engage in immediate communication and brief comments. This interaction equips customers with additional information about product details and enhances the feeling of social presence, so potentially boosting purchase intention (Corrêa et al., 2020). In e-commerce, Kim, et al (2021) argue that social presence facilitates the establishment of stronger customer-seller interactions and enhances their comprehension of desired services and products. Researchers have been drawn to the significance of social presence in live video commerce implementations.

Social presence or social presence in live video commerce is in the form of customers who can ask directly about the products they need so that customers do not make mistakes in making purchases. Customer purchasing interest in live broadcast trading can be further influenced by social presence, as per Ming, et al (2021). Customers' purchasing decisions are frequently influenced by their interactions with others, and this social presence is one of the primary factors that facilitates these decisions (Kurt, et al 2011). Research conducted by Gao, et al (2021) indicates that real-time interaction between the streamer or host and the audience can provide a strong sense of social presence to the audience, as well as meet the demands of the audience, which will have an impact on customer behavior. Customer trust and purchase intention may be affected by the social presence experienced by the audience or customer (Ming, et al 2021). Previous research has demonstrated that social presence has an effect on consumer trust, loyalty, and purchase intention in a variety of contexts, including e-commerce, microblogs, and online shopping (Huang et al., 2023). This study will examine "The Influence of Social Presence on Purchase Intention in Live Video Commerce" in light of the contextual information that has been provided.

# Literature Review Social Presence

Social presence is defined as the perception formed by participants during online participation, emphasizing the satisfaction or real perception of others in video conference interactions (Ranaa et al., 2023). According to Zhang & Shi (2022), social presence is defined as "the extent to which a social commerce environment allows customers to build personal, warm, deep, and sociable interactions with others". In social presence theory, social presence implies the extent to which a person is perceived as a "real person" and the level of perception of communicating with others through media (Yang et al., 2022). The following are indicators of social presence adopted from Huang, et al (2023) and (Ni & Ueichi, 2024):

- a. On a live video site, interactions with other users and fans are personal.
- b. On a live video site, interactions with other users and fans feel warm.
- c. On a live video site, interactions with other users and fans are very close.
- d. On a live video site, interactions with other users and fans feel human.
- e. Viewers feel more connected to strangers.

- f. Viewers feel more comfortable talking to strangers.
- g. Viewers feel the warmth of the streamer.
- h. Viewers feel a human touch.
- i. Viewers feel not alone.

### **Purchase Intention**

According to Belch, et al (2020), purchase intention is generally based on the match between the purchase motive and the brand characteristics considered by the customer. The creation of a purchase intention involves many processes felt by the customer, such as motivation, perception, attitude formation, and integration. Purchase intention is different from actual purchases, when a customer feels interested in buying a product, the customer still has to make a decision about when to buy and how much money to spend to make the actual purchase. Purchase intention indicates the possibility of a customer to buy a particular product in the future (Moslehpour et al., 2021). Another opinion according to Guha, et al (2021) states that purchase intention can be used to predict which product or brand a customer will buy when shopping in the near future.

The following are purchase intention indicators adopted from Gefen & Straub (2004) in Huang, et al. (2023):

- a. Likely to buy (likely to buy)
- b. Choice priority (choice priority)
- c. Definitely will buy (definitely will buy)

# The Relationship Between Social Presence and Purchase Intention

The relationship between social presence and purchase intention is based on research findings (Huang, et al. 2023), namely that social presence has a positive and significant influence on purchase intention. In addition, according to Ming, et al. (2021), the factor that can influence purchase intention in live video trading is social presence. Previous research by Gao, et al. (2021) also stated that real-time interaction between the audience and the host provides a strong social presence to the audience and can meet the needs of the audience which has an impact on customer behavior, especially purchase intention. Given this evidence, the following hypothesis is proposed:

H1: Social Presence positively influence to purchase intention

#### Research Method

The research method used is quantitative method and descriptive analysis. The population used in this study were Bandung residents who know or have used the live video streaming feature on e-commerce (Shopee, Tokopedia, TikTok, Lazada). The sampling technique used was nonprobability sampling with purposive sampling calculated using the Cochran formula with the calculation results getting 384.16 samples needed but the author rounded it to 385. From the results of distributing the questionnaire using Google Form, 395 questionnaires were returned, 10 questionnaires were invalid, and 385 questionnaires were valid for use in this study. The interval scale is a measurement system used in this study. Factors that are independent and dependent. To conduct quantitative research, respondents were allocated five potential responses for each variable, ranging from 1 (strongly disagree) to 5 (strongly agree). The Partial Least Square (PLS) method was used in this study, because it is a structural equation model based on variance. This model is able to describe latent variables, which cannot be measured explicitly, and are measured using indicators (manifest variables).

A variant of PLS that simultaneously examines structural measurements and measurement models can serve as its foundation. Statistical software called SmartPLS, or Smart Partial Least Square, is used in SmartPLS 3.9 to assess the association between variables and with indicator variables. The PLS analysis model is a development of the path analysis model, as indicated by the aforementioned statement. The PLS analysis model offers numerous benefits, including the ability to analyze data that does not conform to a specific distribution, the absence of indeterminacy and the absence of a theoretical foundation, and the use of small samples.

This study aims to determine the extent to which social presence influences purchase intention in live video commerce (Shopee, TikTok, Tokopedia, and Lazada) which can be described as follows.

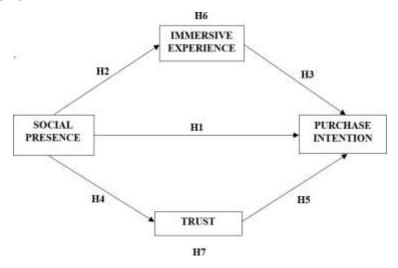


Figure 1. Conceptual Framework

## **Result and Discussion**

Validity tests show that there is a relationship between the measures of the construct principles. A rule of thumb for convergent validity testing is a loading value greater than 07 squared greater than 05 and an extracted mean difference greater than 05. The reliability test was carried out to measure the internal consistency of the measuring instrument in this research. PLS can be tested with two criteria: Composite Reliability of the construct indicator block and Cronbach's Alpha (Rungruangjit, 2022). Although a value of 0.6 is still acceptable, it is explained that the rule of thumb alpha value, or composite reliability, must be greater than 0.7 (Chin, 1998). Validity and reliability test results using the following SmartPLS software:

Table 1. Evaluation of Measurement Model

Factor	Cronbach's Composi			
	Alpha Reliabilit			
Social	0.887	0.909		
Presence				
Purchase	0.778	0.871		
Intention				

Source: SmartPLS data processed (2024)

We can use Cronbach's Alpha to measure dependency. The reliability of each indication in the model is reflected in this figure. Although 0.8 or 0.9 is the optimal number, 0.7 is the minimum number. High dependency is defined as having a Cronbach's Alpha value between 0.7 and 0.9. Reliable item variables are indicated by a Composite Reliability value > 0. Therefore, it makes sense that the three latent variables (social presence, and purchase intention) have CA and CR values greater than 0.7, which indicates that all variables have a high level of dependence and the data is reliable.

Additionally, the Average Variance Extracted (AVE) table reveals that the variable AVE values > 0.5 for each of the four variables Social Presence, Immersive Experience, Trust, and Purchase Intention. When the AVE value is greater than 0.50 and the outer loadings value is greater than 0.70. indicators are considered to have a high level of validity and fulfill convergent validity (Chin, 1998). Convergent validity is regarded as good if the external loading indicator is higher than 0.7. The indication should be eliminated if the external loading value is less than 0.5, as it is deemed negligible. These are the results of the external loading test:

Table 2. Outer Loading

Variabel	Indicator	Outer Loading	Conclution
	SP1	0.669	Valid
	SP2	0.710	Valid
	SP3	0.807	Valid
Social	SP4	0.754	Valid
Presence	SP5	0.772	Valid
	SP6	0.816	Valid
	SP7	0.773	Valid
	SP8	0.590	Valid
	SP9	0.558	Valid
	SP10	0.597	
Purchase	PI1	0.807	Valid
	PI2	0.839	Valid
Intention	PI3	0.850	Valid

Source : SmartPLS data processed (2024)

Based on the calculation results shown in table 2, it shows that there is no outer loading indicator that has a value less than 0.5. This means that the indicator is declared valid because the correlation coefficient is more than 0.5.

Table 3. Discriminant Validity

Indicator	Social	Purchase	
	Presence	Intention	
X1	0.669	0.361	
X2	0.710	0.341	
Х3	0.807	0.463	
X4	0.754	0.368	
X5	0.772	0.391	
X6	0.816	0.424	
X7	0.773	0.368	
X8	0.590	0.381	
Х9	0.558	0.399	
X10	0.597	0.447	
Y1	0.468	0.807	
Y2	0.465	0.839	
Y3	0.471	0.850	

Source: SmartPLS data processed (2024)

Table 3 shows that it satisfies the cross-loading requirements. Abdillah, W., (2015) argue that every construct in the cross-loading test needs to be higher than the indicators of the other constructs. The cross-loading value of this variable is greater than the cross-loading values of its constituent variables. Therefore, it is reasonable to say that the study's measurements have strong discriminant validity.

The coefficient of determination of the endogenous construct is denoted by the R-Square number. The proposed research model's predictive capabilities are enhanced by an elevated R-Square score (Indrawan, et al 2014). The value of R square is between 0 and 1, with the condition that the closer it is to 1, the better. The value of R square is 0.7 (strong), 0.5 (moderate), and 0.2 (weak) (Chin, 1998).

Table 4. R-Square

Variabel	R Suare Adjusted	Kategori
Purchase Intention	0.550	Moderate

Source: SmartPLS data processed (2024)

Based on Table 4, the R square value in this study is 0.550. The R Square value on the Purchase Intention variable is 0.550 purchase intention gets an R Square result of 55% which is influenced by social presence, immersive experience, and trust while the remaining 45% is influenced by other variables not examined in this study.

Table 5 show that the t-statistic in this study is greater than 1.96. According to Ghozali (2021), a hypothesis test is deemed significant if the t-statistics value is more than 1.96 and regarded not significant if it is less than 1.96. The path coefficient table in the SmartPLS output contains the t-statistic, which we may use in structural model testing to determine the predictive model's significance between the independent and dependent variables.

Table 5. Hypothesis test

Hipotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV)	P Values	Keterangan
SP -> PI	0,117	0,117	0,060	1,947	0,052	Rejected

Source: SmartPLS data processed (2024)

In the hypothesis test that has been carried out, the P values are 0.052> 0.05, so H0 is accepted and H1 is rejected. This result is contrary to previous studies (Ni & Ueichi, 2024), which state that social presence has a positive and significant effect on purchase intention. Meanwhile, according to (Purwianti & Dila, 2021), social presence does not have a positive and significant effect on purchase intention because users will shop through live video commerce if they already have knowledge about the e-commerce used or have experience in using features that are considered good and trusted to use and can meet the needs of the product they want to buy with the desired quality.

### Conclusion

The research conducted on the influence of social presence on purchase intention in live video commerce has determined that social presence has a positive but insignificant effect on purchase intention. This conclusion is supported by a t statistic value of 1.947 <1.96 and a P value of 0.052>0.05. Consequently, H0 is accepted and H1 is rejected. Therefore, it can be inferred that purchase intention is not significantly influenced by social presence. It has been determined that the presence of social presence does not always influence the occurrence of purchase intention in a live video commerce feature. However, it can be influenced by other factors that can dominate purchases when viewing live video commerce. Furthermore, the occurrence of purchase intention in a live video commerce can be facilitated by the enhancement of the immersive experience and trust.

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