A STUDY ON FACTORS INFLUENCING LIVE STREAMING SHOPPING AMONG GENERATION Z IN IPOH, PERAK

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Abstract: Live Streams have been one of the latest marketing strategies to hit the e-commerce industry in recent years. Many companies want in on it, but it is not as easy as talking in front of a live broadcast. Thus, this paper aims to study the level of live streaming shoppers among Generation Z in Ipoh, Perak and factors that influence live streaming shoppers' purchase intention. Factors that were investigated consist of perceived popularity, interactivity, source attractiveness, and argument quality. A total of 202 Generation Z in Ipoh has been selected by purposive sampling. The data were analysed using descriptive analysis while the hypothesis was tested using T-test and Pearson correlation test. The results point to positive relations between three of the IVs and the purchase intention of consumers, which are Information Gratification, Attractiveness and Expertise; all except for Entertainment Gratification and Trustworthiness. Plausible justifications on Generation Z's perception and attitude towards entertainment gratification and Trustworthiness affecting purchase intention have been discussed.

Keywords: Live Stream Shopping, Generation Z, Gratification, Source of Credibility, Purchase Intention, Purchase Behavior

1. Introduction

It is evident that with the emergence of the Internet and the globalisation that preceded it, social networking grew much more rapidly, resulting in the development of creative information communication technology channels (Jinang et al., 2019). Recently, a significant phenomenon that is taking the limelight is the element of live-streaming and shopping online being incorporated into the world of e-commerce (Chan et al., 2021). This relatively new way of shopping online seems to encourage a live consumer engagement that is more interactive, personalised and potentially more persuasive. Livestream shopping may occur in two ways: incorporating e-commerce into live streaming platforms or a livestream feature embedded into e-commerce platforms such as Malaysia's top leading platforms known as Shopee and Lazada. A person who sells or promotes a product or service through videos that are broadcast in real-time is known as a livestream seller (Chan et al., 2021).

Though livestream shopping is not unheard of, there is still a considerable information void in geographic locations. In China, the livestream market is expanding continuously and quickly. During the time that finished on the 31st of March 2021, Taobao livestream gross merchandise volume, or GMV, which is an industry statistic measurement that checks the all-out worth of things sold throughout a specific time-frame — hit 500 billion yuan, as per income proclamations from internet business forces to be reckoned with like Alibaba (Cheng, 2021). However, as the degree of acceptance towards livestream shopping varies across the globe, this study aims to fill the void of information on the factors that influence livestream shopping amongst Malaysia's Gen Z as it appears to be a ground-breaking new marketing tool to sellers as of late (Chan et al., 2019).

Apart from that, the bloom of the "staying at home" economy, significantly since the COVID-19 pandemic that has forced most businesses online, has blurred the lines between a variety of platforms between e-commerce, online media and social media. From once fruitful collaborations to invading each other's space. To illustrate further, Douyin by ByteDance is an application giant that allows users to share short videos and has urged sellers to directly open up their stores on their platforms instead of continuing its partnership with Alibaba. Other well-known application giants like Instagram, Facebook, TikTok, YouTube, Bigo Live and WeChat have also done...
something similar with their respective live-streaming and e-commerce features. With that being said, the Department of Statistics Malaysia has recorded a surge in e-commerce income that soared 17.1% to RM279.00 billion in the third quarter of 2021 (DOSM, 2021). Bigo Live spokesperson also mentioned that Malaysia is among the top e-commerce markets in Southeast Asia, with up to 150,000 to 200,000 views for each session during the Bigo “Pasar Malam” event and a few vendors selling over 100 items in just 2 hours. Seeing that livestream shopping is a potential key contributor to the e-commerce industry in Malaysia, Bigo Live decided to launch Bigo Marketplace ("Bigo Live E-Commerce Initiative To Drive Social Commerce Growth in Malaysia", 2021).

As for the target audience of this paper, a majority of university students represent the younger age group known as Generation Z, with a spending power of USD$34 billion worldwide. Hence, marketers tend to look for information on their next big spenders’ group that is lacking within this research topic.

To this date, there seem to be only a few formal studies about consumers' perspectives and the factors that influence them on livestream shopping. Instead, there is an abundance of data that proves Malaysian consumers are pretty keen on livestream shopping ("Bigo Live E-Commerce Initiative to Drive Social Commerce Growth in Malaysia", 2021).

This paper studies the targeted consumers between the ages of 18-25, also commonly referred to as Generation Z, which are becoming one of the largest consumer groups in the market for a variety of industries that occupies most of their time on social media. With that being said, the objective of this research is (1) to identify the level of live streaming shoppers among Generation Z in Ipoh, Perak, along with (2) determining the factors that influence the live streaming shopping among Generation Z in Ipoh, Perak. All in all, this paper was predicted to provide essential information and analysis that are updated in a developing society and hold high value towards various stakeholders, specifically e-commerce sellers.

Literature Review

Live Stream Shopping

Live Streams are a newer form of social media, arguably different from traditional social media such as Facebook and Twitter as it is known as mixed media (Hamilton et al., 2014). Apparently, social media could be segregated into two forms which are asynchronous and synchronous (Khoo, 2014; Scheibe et al., 2016). Because Live Streams accommodates simultaneity and authenticity aspects that are unique, Live Streams are considered to be a primarily synchronous form of social media (Scheibe et al., 2016; Tang et al., 2016).

Shopping via Live Stream platforms or channels is a reasonably new way of e-commerce shopping that consists many social commerce attributes and essential media attributes (Cai et al., 2018). Social commerce calls attention to a way of commerce that is mediated by social media (Shadkam and O’Hara, 2013). Other researchers suggest that social commerce is the subset of e-commerce that utilises social networking sites to facilitate communication during online shopping (Kim and Park, 2013). In this paper, any references to ‘Live Stream shopping’ are to convey attributes of social commerce that incorporates real-time interactions between the seller and consumer within the process of e-commerce. As aforementioned, Live Stream shopping may occur on Live stream platforms where existing hosts decides to promote and sell products; or through e-commerce platforms that decide to integrate the concept of Live Streams as the medium for selling.

Generation Z

People born between the years of 1996 to 2012 are known as the Generation Z group that will make up a quarter of the Asia-Pacific (APAC) region’s population by 2025, which is comparable to the prior generation, Millennials who are born between 1980 and 1995 (Kim et al., 2020). Indubitably, Generation Z people share quite a few qualities with millennials. However, it would be wrong to think that they are just the younger versions because they have their own unique characteristics. For one, Generation Z enters adulthood in a global pandemic, but that does not stop them from making and spending money soon.

According to the McKinsey Asia-Pacific Generation Z survey, findings show that this consumer group relies on social media for learning, shopping and entertainment, but are more thoughtful with how they engage with the
content. This generation also tend to ‘want it all’, thus proper research for quality and deals prior to purchasing occurs more often. Besides that, there is also a preference towards brands that show unique personalities that are famous enough to be recognised. Additionally, through video content online, the selections of brands are greatly influenced by the consumption of video media on platforms such as YouTube and TikTok (Kim et al., 2020). Therefore, this study has expectations to see variations in the results of the findings as compared to similar previous research.

**Celebrities, Influencers & Live Stream Sellers**

Celebrities in general are individuals of various industry backgrounds who usually receive a lot of attention from the media (Ajzen, 1991). These individuals could have gained popularity through the respective occupations such as artists, singers, musicians and actors.

Influencer on social media refers to individuals who become famous on the internet with independent efforts. These people may gain their fan following due to certain events, behaviours or online content creations that catches the attention of viewers (Wang et al., 2018).

Live Stream sellers, also known as live anchors, are the ones who hosts the Live Streams to sell products or services on the respective platforms (Wang et al., 2018). These people may include celebrities, social media influencers or regular people that are hired for the job.

**Related Theories**

**Uses and Gratification Theory (UGT)**

Apart from social gratification, both hedonic and utilitarian gratifications are adopted for the Live Stream shopping study. It seems that the main factors that affect the adoption of information technology by people and drive them into purchase and consumption behaviour are Hedonic gratification (HG) and Utilitarian gratification (UG) (Holbrook & Hirschman, 1982).

Arguably, it is necessary for identifying whether the Live Stream seller's provision of timely information is able to help trigger the purchase intentions of the consumer, considering the fact that the Live Stream shopping concept allows consumers to obtain an immediate response from the sellers.

**Source Credibility Theory (SCT)**

Source credibility theory (SCT) dates back all the way to Aristotle, who proclaimed that the three essential attributes to enhancing the persuasiveness of messages are ethos, logos and pathos (Chan et al., 2021). Credible sources’ being more persuasive than others was also mentioned. Moreover, information sources have characteristics that can influence and affect the communications of electronic word of mouth (e-WOM) on the receiver, where the source is only considered credible when the information provided can be trusted (Chaiken, 1980).

In addition to that, Expertise and Trustworthiness are also factors that have been in discussion as influencers towards the persuasion of the message. Expertise being the competency to deliver accurate and logical declarations, whereas Trustworthiness refers to the certainty of the audience towards the declarations made; the audience’s perception of honesty and integrity (Zhang et al., 2018). Moreover, Attractiveness refers to the desirable traits of a communicator, which comprise the physical appearance, fashion, facial expression and being funny as having more influence over consumers’ Behaviour (Li & Yin, 2018). Therefore, the researcher adopted Ohanian's SCM for this study.

**Theory of Planned Behaviour (TPB)**

Theory of Planned Behaviour stands as the foundation of this study. Being the extension theory from the theory of reasoned action (TRA), TPB introduced a new construct; perceived behavioural control (PBC), where the main idea is that any transpiration of a specific behaviour and the intentions. Usually, the three independent predictors
that would determine the intentions are behavioural attitude, subjective norm and perceived behavioural control, which has an effect on an individual's intention that would ultimately lead to a behaviour.

**Theoretical Framework**

**Figure 1: Excerpted Theoretical Framework**

Figure 1 illustrates the excerpted theoretical framework for this study. The five independent variables of this study are segregated into two parts as illustrated in purple on the left side of the framework. UGT consists of two constructs; Entertainment Gratifications (EG) and Information Gratifications (IG) of the online consumers, whereas SCM consists of three notions; Attractiveness, Expertise and Trustworthiness of the Live Stream seller. These concepts were equipped as predictors for purchase intention. Furthermore, the researcher explored the relationship between PI and PB in this research. The Purchase Intention (PI) and the Purchase Behaviour (PB) are the dependant variables. However, the PI is not to be confused as the mediating factor as it stands alone as a dependant variable.

**Hypothesis**

Based on the literature review, the following hypotheses were developed:

H1: There is a positive relationship between the EG and the consumers' PI.
H2: There is a positive relationship between the IG and the consumers' PI.
H3: There is a positive relationship between the Live Stream sellers' Attractiveness and the consumers' PI.
H4: There is a positive relationship between the Live Stream sellers' Expertise and the consumers' PI.
H5: There is a positive relationship between the Live Stream sellers' Trustworthiness and the consumers' PI.
H6: There is a positive relationship between the PI and the consumers' PB.

**Methodology**

The target populations of this study are people who belong to the Generation Z age group as of 2022, are residing in Ipoh, and, desirably, have been exposed to Live Stream e-commerce prior to the time of this study. This study uses survey research through questionnaire and a total of 202 respondents were involved in this study. To select the samples, purposive sampling has been chosen. The data was analysed using Statistical Package for Social Sciences (SPSS) version 22.
Finding and Discussion

**Respondent’s Demographic Profile**

There was a total of 138 (68.3%) females and 64 (31.7%) male respondents. The majority 147 (72.8%) of the 202 were from the 22 to 25-year-old age group. Furthermore, the remainder, 55 (27.2%), are between the ages of 18 to 21 years old. The majority being Indian at 80 (39.6%) respondents, followed by Chinese with 75 (37.1%), then 29 (14.4%) of Malay respondents and the remainder being 18 (8.9%), which included some international students who were studying on Ipoh at the time of this research as well. More than half of the respondents, 129 (63.9%), are full-time students. 26 (12.9%) are working part-time, 37 (18.3%) are working full time, while the remaining 10 (5.0%) are temporarily unemployed.

**Levels of Respondent’s Live Stream Shoppers**

Table 1: Respondent’s Level of Live Stream Shoppers

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all likely</td>
<td>26</td>
</tr>
<tr>
<td>Slightly likely</td>
<td>29</td>
</tr>
<tr>
<td>Neutral</td>
<td>48</td>
</tr>
<tr>
<td>Likely</td>
<td>67</td>
</tr>
<tr>
<td>Extremely likely</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>202</td>
</tr>
</tbody>
</table>

Table 1 shows the descriptive analysis of the respondents’ level of live stream shoppers. The data shows that there are 26 (12.9%) and 29 (14.4%) respondents who are 'not at all likely' or only 'slightly likely' accordingly to being a consumer who makes purchases through live streaming shopping platforms. The rest of the respondents ranked at 48 (23.8%), 67 (33.2%) and 32 (15.8%) for 'neutral', 'likely' and 'extremely likely' respectively.

**Factors that Influence Live Stream Shopping**

Table 2 shows that Information Gratification is the leading factor that influences the Purchase Intention of Generation Z Live Stream shoppers with a group average of 4.9200, where the majority of the respondents' strongly agreed' with the questionnaire. Similarly, Expertise is found second with a group mean of 3.6800, followed by Attractiveness at 3.3600, then Trustworthiness at 2.8800 and lastly with only a mean score of 1.8000 is held by Entertainment Gratification.

Table 2: Factors that Influence Live Stream Shopping

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment Gratification</td>
<td>1.8000</td>
</tr>
<tr>
<td>Information Gratification</td>
<td>4.9200</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>3.3600</td>
</tr>
<tr>
<td>Expertise</td>
<td>3.6800</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>2.8800</td>
</tr>
</tbody>
</table>

**Entertainment Gratification**

H1: There is a positive relationship between the EG and the consumers' PI

The Entertainment Gratification is not positively related to consumers' purchase intention. Thus, the hypothesis is not supported.

This study finds that the hypothesis is contrary to past researchers’ findings where the purchase intention of the consumer is dependent on the consumers' perceived enjoyment (Harshini, 2015; Adis et al., 2015; Lau, Lam &
Cheung, 2016; Tan et al., 2017; Pan, Wang, Chen & Qu, 2017; Zamzuri et al., 2018; Marimuthu & Ganapathi, 2018; Sabri, 2019). It was implied that it was entertaining to the consumers to shop via live stream. Nevertheless, despite other similar studies that suggest two-way communication made it more enjoyable for the consumers to interact with the sellers via chat or reaction buttons, the data collected from this study seems to propose the idea that Generation Z consumers may think or feel otherwise towards the entertainment gratification of Live Stream shopping. Hence, this group of Generation Z consumers’ perspective of entertainment via Live Stream shopping would not affect their purchase intention.

Information Gratification

H2: There is a positive relationship between the IG and the consumers’ PI

Information Gratification does indeed have a positive influence on the consumers' purchase intentions (Samsudin and Ahmad, 2014; Harshini, 2015; Zamzuri et al., 2018). Not only that results from this paper also finds that information gratification through Live Stream shopping is the leading factor that influences the purchase intentions of the consumers.

Although, another study seems to contradict the result as it claims that Information Gratification has no direct significance that affects the consumers' purchase intentions (Aluri et al., 2016). The reason for this could be the context in which these two studies were conducted, namely websites versus live streams. Arguably, websites could only provide product or service information in the form of a picture, pre-recorded videos and copywriting, which depends on the consumer's efforts to find and read about the products and services. Whereas Live Streams permits consumers to obtain the information that is desired via real-time features such as the live chat box where the seller can immediately respond with the accurate information or even demonstrate the product live in action in the Live Stream itself.

On top of that, Generation Z in the Asia-Pacific region is considered to be youth who prefer to do their research before making any purchases, whether it is big or small. This generation, as compared to the millennials or even Generation X, is almost always searching for the best deals, refuses to sacrifice quality for the price and often expects a variety of bells and whistles such as customisation, exclusive merchandise, a collaboration between brands, limited edition items and personalisation on the things to be bought (Kim et al., 2020).

Consequently, a conclusion can be drawn from this information that the accurate and timely information provided would trigger a consumer's purchasing intentions when shopping on a Live Stream.

Attractiveness

H3: There is a positive relationship between the seller's Attractiveness and the consumers’ PI

The Attractiveness of the seller would have a positive impact on the consumers' purchase intentions. The findings of this paper on the Attractiveness of the seller are parallel to similar research. There is a mutual agreement that the physical appearance of the seller increases the likelihood of the consumers’ attention due to the physical traits of the sellers that are deemed attractive (Sertoglu et al., 2014; Khan et al., 2016; Samat et al., 2016; Shenje, 2017). It has been informed that Generation Z consumers from Asian regions of the world are more likely to hop on the bandwagon when it comes to fashion; thus, the fashion looks and physical likeability of the seller’s overall appearance is vital in order to improve the effectiveness of any message which would, in turn, affect the purchase intentions.

But despite that, the results of this paper suggest that even though there is an impact, the effect of Attractiveness towards purchase intention is relatively weak, comparable to the data collected in Pakistan (Malik and Qureshi, 2017). This lack of consistency could be due to various other factors such as age, gender, and even geographical locations across the globe and perhaps within various areas of Malaysia as well. As a result, the Generation Z consumers who reside in Ipoh seem to be affected, but the impact of Attractiveness towards the purchase intention is relatively weak.
Expertise

H4: There is a positive relationship between the seller's Expertise and the consumers' PI

The hypothesised relationship between the seller's Expertise and the consumers' purchase intention is supported. A review of past literature also further supports the hypothesis that the purchase intentions of consumers could be triggered by the seller's demonstration of Expertise towards the promoted products or service (Baniya, 2017; Filieri et al., 2018).

At the same time, millennials from a different research were portrayed as not discerning towards the Expertise of the seller. Perhaps the reason is that Expertise does not translate to reliability to the said age group. However, on the contrary, Generation Z is prone to consuming more video content on social media platforms such as YouTube and TikTok, where content creators often focus on one category of interest, becoming more or less of an expert (Kim et al., 2020). It makes more sense that the expertise factor corresponds with the information gratification factor that is also supported in this study. Which means the Generation Z sample in this paper highly values accurate information along with the seller's Expertise on the matter. Because of that, it can be concluded that the Expertise of the seller would impact the purchase intentions of the consumers.

Trustworthiness

H5: There is a positive relationship between the seller's Trustworthiness and the consumers' PI

The fifth hypothesis regarding the Trustworthiness between the seller and the purchase intention of the consumers is not supported.

The findings coincide with the study regarding the evaluation of the products or services' quality and effectiveness via online user reviews. It is considered more trustworthy and reliable when the words come from reviews of actual users who have actually purchased and tried the products or services (Fileieri et al., 2018). Although it was acknowledged by Zhang, Qin, Wang and Luo (2019) that Live Stream sellers are able to improve the perception of Trustworthiness through live and in-depth conversations, Generation Z youths seem to rely on their own judgement and research rather than blindly following the verdict of one person they watch online (Kim et al., 2020). Evidently, the data collected for this paper also proves that Generation Z represented agrees with Kim's findings. Thus, Trustworthiness does not positively affect the purchase intention of consumers.

Purchase Intention

H6: There is a positive relationship between the Purchase Intention and the Purchase Behaviour

The hypothesis of Purchase Intention having a positive influence on Purchase Behaviour is supported.

Based on past literature about e-commerce, it is further reinforced that purchase intention is a significant determinant of the actual purchase behaviour with the help of the Theory of Planned Behaviour model as the basis of foreseeing the willingness of an individual's intentions to make an online purchase (Lim et al., 2016; Ijaz & Rhee, 2018; Singh & Srivastava, 2019). Moreover, consumers who exhibited the intention to purchase will certainly spend more and proceed to check-out compared to the ones who have no intentions (Chiew et al., 2014), which is why this would affirm that the purchase intention has a fundamental relationship with the purchase behaviour of the consumers.

Recommendation and Conclusion

Essentially, this study on the factors that affect Live Stream shopping amongst Generation Z is the first step to broader research on the matter as this generation is coming of age where a quarter of the Asia-Pacific region will earn their own disposable income, becoming the new market in this material world (Kim et al., 2020). It said that this generation of consumers is not only just picky but very aware of the branding and marketing schemes. The consequences of supporting the wrong brand that does not relate to individual principles are often taken into serious consideration; hence brands should be aware of this when creating and maintaining their company values.
This paper has contributed a comprehensive illustration of the motivational factors that influence the purchase intention of Malaysian Generation Z Live Stream shoppers and the relationship between purchase intention and purchase behaviour, along with the level of Live Stream shoppers in Ipoh. The results point to positive relations between three of the IVs and the purchase intention of consumers, which are Information Gratification, Attractiveness and Expertise; all except for Entertainment Gratification and Trustworthiness. Plausible justifications on Generation Z's perception and attitude towards entertainment gratification and Trustworthiness affecting purchase intention have beendiscussed.

In short, Live Stream shopping content has an array of benefits that companies and brands should contemplate applying to Generation Z consumers. Providing immediate and precise information in a preferred channel with an expert of the field who exhibits a good personality and style could help enhance the prosperity of the businesses.

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