

# **The Influence of Live Streaming, Customer Trust and Pro-Domestic Ethnocentrism on Purchase Intention with Customer Attitude as a Mediation Variable on Local Fashion Brand Products Through Tiktok**

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## **Abstract**

The presence of e-commerce and online trading platforms has enabled and directed people to buy goods online anywhere and anytime. Sellers can choose various online trading methods that best suit the business model, one of which is live streaming through the Tiktok social media platform. This study aims to investigate the effect of Prodomestic Ethnocentrism, Customer Trust and Live Streaming on Purchase Intention which are mediated by customer trust. Online survey was applied to 160 respondents. Research instruments were adapted from previous studies. Structural equation modelling was applied to analyze the data of this research by using Smart PLS 4.0 software. The results showed that live streaming and customer trust have an important and meaningful impact on customer attitudes. The impact of live streaming, customer trust, and customer attitude on purchase intention is significant. This study also found the significant role of attitude in mediating relationship between live streaming and customer trust towards purchase intention. But, pro-domestic ethnocentrism didn't have significant effect to both of customer attitude and purchase intention in Tiktok.

Keywords: Live Streaming, Customer Trust, Ethnocentrism, Purchase Intention, Customer Attitude.

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## **1. Introduction**

Buying and selling activities in the market have undergone significant changes in recent years, and there are many factors that can contribute to this change [1]. This is mostly due to the rapid development of the internet and the shift in usage to mobile devices. These shopping platforms can increase the total and quality of interactions to get more sellers and consumers [2]. Most consumers today rely more on getting information available on online shopping platforms in making purchase decisions [3]. Sellers can choose various online commerce methods that best suit their business model and customer needs [4]. One method that is widely used today is live streaming. Live streaming as synchronized real-time interaction between users and streamers [5]. An interesting function in live streaming is paid rewards, which is rare in more traditional social media [6].

Product links have been provided in the broadcast room to simplify the product ordering process and provide various offers such as discounts for viewers [7]. The social media platforms most chosen by sellers in promoting their products and services are on the social media platforms Instagram and Tiktok. Fashion products are the products that consumers are most interested in live streaming. Live streaming retailing is a new idea that will be successful for any company, in addition to saving space, it is very beneficial for small and family businesses or SMEs [8]. Live streaming can also be done to support the creative industry movement and can bring consumers to love domestic products or commonly referred to as consumer ethnocentrism.

Ethnocentrism can arise when a live stream viewer encounters another different culture or group [9]. A user with ethnocentric attitudes may be more inclined to choose products or services from their own culture or country over products from other cultures even if they are of similar quality or value [10].

Consumers with patriotism and ethnocentrism are strongly preferred to choose domestically sourced products, and the existence of consumer guilt related to this enhance the positive reinforcement of the mediated connection between patriotism and the intention to buy domestically sourced products [11]. The role of consumer ethnocentrism holds significance holds significance when deciding between local and global products [12]. Consumer ethnocentrism exerts a favorable impact on consumers' reservations regarding the acquisition of foreign-origin products and has been suggested as a potential factor contributing to the promotion of anti-consumption behaviors towards foreign goods [13]. During live streaming, sellers must be able to get consumers interested in buying the products offered by building consumer trust [14]. Customer trust is the customer's belief that the service provider will fulfill their needs. Live streaming can forming customer engagement through the value and trust that customers feel towards the broadcaster [15].

Consumers have greater confidence in product evaluations in the context of online shopping. Consumers who have a distrustful and critical nature will be more difficult for sellers to sell their products [16]. This is a challenge that must be solved by sellers in selling their products to gain consumer trust.

The social presence and pleasure that customers feel from the shopping experience can directly or indirectly increase consumer trust in the streamer and can reduce uncertainty about the product, thereby strengthening purchase intentions. The streamer's professionalism in product explanation and their concern for viewers can encourage a harmonious relationship between them and can increase customer trust in the streamer [17]. Consumer trust in streamers during live streaming refers to the belief that the streamer is worthy of trust, provides good quality services, and does not take advantage of consumers. During live streaming, customers can send comments directly in real time, and can also interact with other consumers. This interaction is dynamic and not the same as one another, so that it will cause an attitude whether it is positive or negative towards a product during live streaming. Streamers with strong expertise can increase consumers' perceptions of opinion leadership, attitude toward the brand, attitude toward the streamer, attitude toward the product, and purchase intention [18].

Broadcasters who live stream can develop customer trust through synchronous social interactions provided during live streaming. Live streaming activities with real time product communication and interaction can significantly reduce consumers' negative perceptions of products and uncertainty about product suitability, will impact purchase intentions [19]. Consumers with high ethnocentrism values will choose to buy products of domestic origin and have an unfavorable attitude towards foreign products [20]. That way, there is a consumer attitude to get involved in live streaming where by instilling consumer confidence by recommending the right and good quality products for them and will tend to buy. If the attitude given by consumers is positive towards what the broadcaster has demonstrated in the live stream, the sales level will increase.

## 2. Research Method

Quantitative research method using the explanatory research approach was applied in this study. Online survey was applied to 160 respondents who previously have been exposed to Live Streaming sales of local product in Tiktok. Research instruments were adapted from previous studies. Live streaming variable was measured by using 13 indicators. Customer trust was measured by using 4 indicators. Customer attitude was measured by using 4 indicators. Prodomestic ethnocentrism was measured by using 7 indicators. Purchase intention variable was measured by using 3 indicators. Structural equation modelling was applied to analyzed the data of this research by using Smart PLS 4.0 software.

## 3. Result and Discussion

There were 160 total respondents in the study, 67.5% are female and 32.5% are male. The priority respondents are young adults aged 21-25 as much as 40% and age 26-30 as much as 39.4%. Where the respondents are dominated by college degrees as much

as 70% and in terms of employment as many as 38.8% of respondents are private employees and 25.6% are self-employed. On the other hand, most respondents have an income in the following range of IDR 1,000,000 to < IDR 3,000,000 as much as 36.9% and IDR 3,000,000 to < IDR 5,000,000 by 37.5%. In daily use of the Tiktok application, 45.6% of respondents use Tiktok < 1 hour and 32.5% use Tiktok for 1-3 hours.

Convergent validity aims to measure the magnitude of the correlation between constructs and latent variables with a correlation or outer loading value > 0.70 and an average variance extracted (AVE) value > 0.50, it would be said to be valid. From the outcome of the test, the outer loading results show that all variables have met convergent validity with an outer loading value > 0.70 except for several indicators, namely ETNO1, ETNO2, LS1, LS2, LS7, LS9, and LS10. So for further analysis, these indicators will be eliminated. After the first elimination, there are still indicators with an outer loading value < 0.7, namely LS3 and LS8, so they will be eliminated again. The research have a table measurement model presented Table 1.

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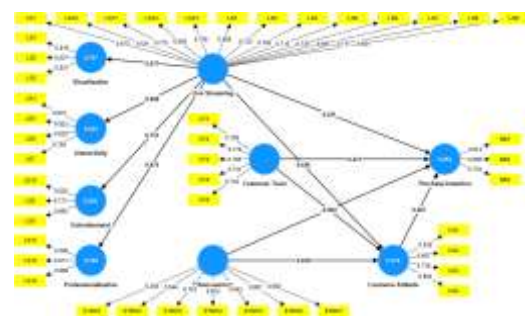


Figure1. Outer loading

The research have a fornell lacker criterium result prented in Table 1.

Tabel 1. Fornell Lacker Criceterium Result

	Customer Attitude	Customer Trust	Pro-Domestic Ethnocentrism	Live Streaming	Purchase Intention
CustomerAttitude	0,828				
Customer Trust	0,622	0,768			
Pro-Domestic Ethnocentrism	0,209	0,219	0,837		
LiveStreaming	0,613	0,717	0,177	0,783	
Purchase Intention	0,583	0,596	0,098	0,561	0,806

The reseach have a R-Square presented in Table 2.

Table 2. R-Square

	R-Square	R-square Adjusted
Customer Attitude	0,448	0,438
Purchase Intention	0,446	0,431

According to table 2, the value of average variance extracted (AVE) on customer attitude, customer trust, pro-domestic ethnocentrism, live streaming, and purchase intention variables > 0.5. This means that all constructs used in this study have good validity values. The Cronbach's alpha and composite reliability values have a value > 0.7 therefore the value is very good and all indicators are said to be reliable and tested. The AVE square root for each variable consisting of customer attitude, customer trust, pro-domestic ethnocentrism, live streaming, and purchase intention is greater than the correlation between variables with other variables. This indicates that all variables have good discriminant validity values and are feasible in research. In table 3, the R-square value for the customer attitude variable is 0.448.

So that the customer attitude variable can be explained by the live streaming, customer trust and ethnocentrism variables by 0.448 or 44.8%, the remaining 55.2% is explained by other variables not explained in this study. Meanwhile, the R-square value for the purchase intention variable is 0.446. So that the purchase intention variable can be explained by the live streaming, customer trust, pro-domestic ethnocentrism and customer attitude variables of 0.446 or 44.6% and the remaining 55,4% is explained by other variables that are not explained by other variables. Path coeffiecient result presented in Table 3.

Table 3. Path Coefficient Result

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
H1	Live Streaming → Customer Attitude	0,273	0,275	0,120	2,274	0,023
H2	Customer Trust → Customer Attitude	0,418	0,416	0,093	4,507	0,000
H3	Pro-Domestic Ethnosentrisme → Customer Attitude	0,070	0,074	0,078	0,896	0,370
H4	Live Streaming → Purchase Intention	0,188	0,182	0,085	2,201	0,028
H5	Pro-Domestic Ethnosentrisme → Purchase Intention	-0,063	-0,062	0,079	0,805	0,421
H6	Customer Trust → Purchase Intention	0,287	0,289	0,096	2,989	0,003
H7	Customer Attitude → Purchase Intention	0,311	0,310	0,074	4,180	0,000

The hypothesis results are declared accepted if the t-statistic value > t-table value, which is 1.65 with a significance level of 5%. The study found that hypotheses H1, H2, H4, H6, H7 were accepted and hypotheses H3 and H5 were rejected. This means that live streaming has a positive and significant effect on customer attitude, customer trust positively and significantly effect on customer attitude, ethnocentrism cannot have a favorable or important impact on customer attitude, live streaming positively and significantly effect on purchase intention, ethnocentrism cannot have a favorable or important impact on purchase intentions, customer trust positively and significantly impacts purchase intentions, and customer attitudes positively and significantly impact purchase intentions. Indirect effect presented in Table 4.

Table 4. Indirect effect presented

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
H8	Live Streaming → Customer Attitude → Purchase Intention	0,112	0,113	0,045	2,508	0,012
H9	Customer Trust → Customer Attitude → Purchase Intention	0,102	0,101	0,044	2,334	0,020
H10	Pro-Domestic Ethnosentrisme → Customer Attitude → Purchase Intention	0,018	0,019	0,024	0,750	0,453

Live streaming has a positive and significant effect on customer attitude. Live streaming allows direct engagement between content creators and audiences. This engagement can include answering questions from the audience, providing additional information, and more about the product being broadcast by the broadcaster. Live streaming tends to provide a sense of

product authenticity and transparency. By fulfilling all consumer needs, it will positively impact on customer attitude. Customer trust positively and significantly impact on customer attitude. When consumers feel that they can trust a product or brand, these consumers tend to have a positive customer attitude towards the brand. If consumers believe that a brand is reliable, they tend to think that the brand has good quality, this can positively affect customer attitude towards the brand. Pro-domestic ethnocentrism cannot have favorable or important impact on customer attitude.

Consumers focus more on the quality, features, benefits, and price of products rather than ethnic or cultural aspects. If the product meets the needs and preferences of consumers, then the view of ethnocentrism may not have a significant influence on customer attitude. Price and product quality are often the main considerations for consumers, if local fashion brands are able to provide products with good quality and competitive prices, then ethnocentrism may become less relevant. Live streaming positively and significantly impacts on purchase intention. Through live streaming, consumers can see local brand fashion products in detail so that they can provide a clear picture of the design, quality and details of the product. The visualization provided by the broadcaster during this live streaming can influence consumers' intention to buy. In addition, live streaming broadcasters provide information about products directly and real-time reviews can overcome consumer concerns and doubts.

Customer trust positively and significantly impacts on purchase intention. Consumers who have built customer trust generally do not have to worry because they feel they will get consistent value from the brand. When live streaming, generally experienced brands will communicate transparently about their production, raw materials, and business principles so that it will make consumers become more trusting of the brand so that it will increase purchase intention because they have received various information that makes them believe in the product. Customer attitude positively and significantly impacts on purchase intention. If consumers feel that a product provides added value, then consumers will tend to buy, the match between the needs and the value that will be obtained will create a good customer attitude and increase purchase intentions. Customer attitude is also often influenced by consumer emotions and feelings towards products and brands. Positive emotions related to the product can trigger consumers' desire to own and use the product.

Live streaming positively and significantly impacts on purchase intention mediated by customer attitude. This direct interaction through live streaming can form a positive attitude towards the product because consumers feel they are getting better insights with the help of broadcasters. Consumers will consider live streaming as an interesting and useful method to get to know the product in depth, so a positive attitude towards live streaming will influence consumers in their intention to buy. When live streaming, the

broadcaster allows consumers to see and visualize the product directly as if in a real situation, if when seeing the appearance of this product it is clearly visible to consumers, it will increase positive customer attitude and increase purchase intention. Customer trust positively and significantly impacts on purchase intentions mediated by customer attitude. Customer trust in a product or brand can form a positive attitude. If consumers believe and believe in the quality, integrity, and reliability of a brand, it will indirectly form a positive attitude and tend to increase purchase intentions. Customer trust can form a belief that the transaction will go well, the product will meet expectations, a good response from the broadcaster, this belief can change the customer attitude into a stronger purchase intention than before.

#### 4. Conclusion

This research found that live streaming and customer trust are important factors in building positive consumer attitudes towards online shopping on Tiktok live streaming. Furthermore, live streaming, customer trust and attitudes towards Tiktok live streaming are important factors in increasing consumer interest in buying local products. Prodomestic ethnocentrism has not been able to increase consumer attitudes and purchase intentions towards local brands. This is closely related to the characteristics of the millennial generation and Z generation, which tend to be more rational in shopping.

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