
The Power of Shopee Live Streaming on Z Generation Purchasing Decisions

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Abstract

The focus of the research is to determine the power of live streaming carried out by shops selling on Shopee on product purchasing decisions by Generation Z. Quantitative methods using survey data collection techniques are used to explain this phenomenon. The instrument used was 15 question items consisting of 9 items about live streaming variables and six items about purchasing decisions, then packaged in a Google Form questionnaire and distributed via social media. The sample in this study consisted of 185 respondents aged 13 – 26 years (generation Z). The data obtained was then analyzed using descriptive and differential statistics to determine the relationship between variables. Statistical data analysis using SPSS version 25. The results show that Shopee Live Streaming contributes 62% to Z Generation Purchasing Decisions. So it provides information that live streaming activities can attract consumers to buy, the seller's products can reach a wider market, educate consumers directly about the products offered by the seller, and increase immediate feedback.

Keywords: live streaming, Z generation, purchasing decision

INTRODUCTIONS

Digitalization in marketing has changed the way sellers market their products and services, thereby significantly influencing the market strategies used. This digital era is also shaping changes in consumer behavior with the shifting phenomenon or shifts in people's behavior in shopping, so marketers must respond quickly, such as selling products via e-commerce. E-commerce development in the digital space has become where people can interact and carry out economic and business activities. Geng et al. (2020) noted that consumers aged 18 – 25 years or Generation Z will be the largest contributor to the proportion of e-commerce transactions in 2022.

Generation Z is currently the largest in the world; their number reached 2.5 billion in 2020. The same thing also happened in Indonesia. Referring to data from the Central Statistics Agency (BPS) in 2020, Generation Z dominates the population group with a percentage of 27.94% (BPS, 2023). Their status as 'rulers of the world' automatically makes Generation Z a new target market for industry. Nevertheless, winning their hearts is a challenging matter. These young people have different values and characteristics than previous generations, namely Baby Boomers, Gen X, or Millennials. These differences in values and characteristics influence their life goals, lifestyle, and consumption styles. This means that the industry must refrain from using marketing strategies that target previous generations. New strategies are needed so that marketing becomes more targeted. In comparison, the Millennial generation is 25.87 percent, and Generation X is 21.88 percent. Next, generation Z was born in 1996-2010, and Generation Z is often called the Internet generation (Turner, 2015).

Consumer purchasing decisions in Generation Z can be influenced by the accuracy of the seller's selection of marketing strategies. So manufacturers, sellers, and sales

platforms need to understand and overcome these problems to simplify the purchasing decision-making process for consumers. Providing clear information, offering good customer service, providing quality guarantees, and providing competitive prices are some steps that can be taken to overcome problems in purchasing decision-making. One of marketing strategy to answer this problem so that it develops rapidly in the digital era is a live streaming shop. Lu and Chen (2021) live streaming is broadcasting video or audio in real time over the internet. This allows viewers to watch events, presentations, or other content live as they happen. Live streaming activities are usually done on social media, live streaming platforms, and e-commerce. Or marketplace. One of the pioneers of the marketplace in Indonesia, namely Shopee, has since 16 June 2019 launched the Shopee Live feature. In this live-streaming video feature, sellers can sell and interact directly with buyers using the Shopee platform, which is optimized for smartphone users. Indarti et al. (2022) Shopee is the most visited marketplace platform during the first quarter of 2023, namely 157.9 million visits per month, far surpassing its competitors. Shopee's live streaming feature is thought to cause many visits to the platform.

Shopee live streaming is where sellers or brands conduct live streaming to showcase their products or services directly to viewers, often to increase sales. Nowadays, many e-commerce and social media platforms have adopted the "shop live streaming" feature where viewers can view products, ask broadcasters about product details directly, and even buy products directly during the live broadcast. Shopee live-streaming purchasing decisions are influenced by several factors, including live product demonstrations, direct interactions, direct promotions and discounts, reviews and testimonials, product availability and time limits, product quality, and brand reputation (Prihatiningsih et al., 2023).

Shopee live streaming provides a unique interactive experience for viewers who can directly interact with the products or services offered. By providing a platform where viewers can ask questions, view, and even directly purchase products during a live broadcast, this practice aims to increase viewer engagement and directly influence purchasing decisions. Live streaming often provides viewers a live experience, which can influence purchasing decisions due to real-time interactions and more immersive product presentations.

Live-streaming activities carried out by sellers on the Shopee platform can stimulate consumer purchase decisions so that they carry out purchasing activities. Purchase Decision is the process of selecting two or more alternative options, which results in a decision to buy or not to buy. Choices must be available when consumers want to make a decision. The purchasing decision-making process requires searching for or receiving different information (Widyastuti et al., 2020). Mbete & Tanamal (2020) purchase Decision is a process carried out to combine all the knowledge obtained by consumers into consideration values that are useful in choosing two or more alternatives so that they can decide on one product.

Purchase Decision is the process where consumers decide which brand to buy. Consumers will buy the brand they like most. However, it can be influenced by two factors that are between purchase intentions and purchase decisions, namely other people's attitudes and unexpected situations (Mappesona et al., 2020). Purchase intentions can change if the situation consumers face prevents or forces them to cancel a purchase or switch to another choice (Kotler & Keller, 2016). Purchase Decision is a stage in a process where consumers make purchases based on the results of a combination of all the knowledge they have to become a consideration value between two or more alternative products available in deciding on one product. Based on the marketing phenomenon that is developing in this digital era, namely live streaming activities as a marketing strategy that

is popular among sellers. So, it is necessary to research how effective live-streaming activities are in stimulating Purchase Decisions, especially among Generation Z individuals of ten referred to as the Internet generation.

RESEARCH METHOD

This research aims to determine the power of live streaming by shops selling on Shopee on product purchasing decisions by Generation Z. Quantitative methods explain this phenomenon and data collection is carried out using surveys. The instrument used is a questionnaire consisting of 2 parts; the first part concerns the socio-demographic aspects of the respondents to ensure that the questionnaire is only filled in by respondents with an age range of 13 to 26 years in 2023 (generation Z), the second part concerns the research variables, namely 15 statement items which consists of 9 items about live streaming and six items about purchasing decisions. The research questionnaire was distributed via social media such as Facebook, TikTok, and Instagram. Data was collected during February 2023, and 185 people filled in. This number meets the minimum requirements for respondents with the research parameters used, namely 150 respondents. The data obtained was then analyzed using descriptive and differential statistics to determine the relationship between variables. Statistical data analysis uses SPSS version 25. The framework for this research is as follows:

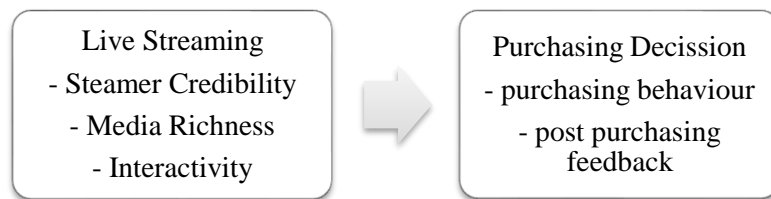


Figure 1. Research Framework

RESULT AND DISCUSS

The results of the descriptive analysis of the variables used, namely live streaming and purchasing decisions, are as follows:

Tabel 1. Descriptive Analysis

Variable	Empirical mean	Empirical SD	Hypotetical Mean	Hypotetical SD	Status
Puchasing Decision	61,86	6,672	46	11,638	Average
Live Streaming	138,65	15,081	103	22,967	Average

Table 2. Participant Score Category

Category	Puchasing Decision	Live Streaming
Very High	36%	51%
High	37%	37%
Average	10%	5%
Low	4%	3%
Very Low	3%	4%
Total	100%	100%

Table 2. shows that live streaming can be categorized as 51% very high, 37% high, 5% average, 3% low, and 4% very low. Meanwhile, the purchasing decision variable is classified as 36% very high, 37% high, 10% average, 4% low, and 3% very low. Before the data is processed with differential statistics, classical assumptions must be tested first. The classic assumption test was the normality test using the Kolmogorof-Smirnov technique, which obtained results with a normal distribution for both research variables ($p > 0.05$). Furthermore, the linearity test between live streaming and purchasing decisions found that Fcount was 1.235; $p > 0.281$, indicating a significant linear relationship. Then, the multicollinearity test obtained VIP values of $4,000 < 10$ and tolerance of $4 < 10$, meaning there was no multicollinearity in the variables. The Durbin-Watson autocorrelation test shows a value of $d=1.456$; $dL=1.373$; $dU=1.356$; this score follows the guidelines of $1.356 < 1.373 < 2.644$ ($dU < d < 4-dU$) meaning that there is no autocorrelation. Next, the variables will be tested using linear regression to determine the influence of live-streaming variables on purchasing decision variables. The results of the linear regression analysis are displayed in table 3.:

Table 3. Regression Analysis Results

Variable	F	F _{tab}	R ²	p
Purchasing Decision (Y)	485,752	0,281	0.620	0.000
Live Streaming (X ₁)				

Table 3. regarding the results of the regression analysis shows that the live streaming variable plays a significant role in purchasing decisions ($F=485.752$; $p < 0.05$), thus the hypothesis is accepted. The R2 value shows the meaning that purchasing decisions in generation Z are influenced by 62% by live streaming carried out by sellers on the Shopee platform, while the remaining 38% is caused by other factors outside the model.

Table 4. Results of Model Regression Analysis

Variable	Beta	T	T _{table}	p
Live Streaming (X ₁)	0,627	17,37	0,675	0,000
Purchasing Decision (Y)				

Table 4. shows a positive and significant influence of the Shopee live streaming variable on purchasing decisions ($T = 17.37$; $p < 0.05$), meaning that the research hypothesis is accepted, namely the influence of Shopee live streaming on generation Z purchasing decisions. These statistical results support the hypothesis in this research, namely that live streaming contributes 62% to Generation Z's purchasing decisions.

The findings of this research are in line with Wongkitrungrueng et al. (2020) that live streaming influences Generation Z purchasing decisions. Research Cai and Yvette Wohn (2020) shows that Shopee live streaming is an effective sales option because sellers can carry out a more interactive buying and selling process because they can show products in real-time, answer consumer questions, and encourage purchases directly during the broadcast. Gesmundo et al. (2022) shopee Live is also the live-streaming feature most

remembered by 60 percent of respondents, while TikTok Live gets 30 percent. From the start, Shopee Live was designed as a feature that provides an interactive shopping experience. Both buyers and sellers who open Shopee Live aim to conduct transactions in real-time. This differs from TikTok Live, part of the TikTok social media platform that focuses more on providing space for creative content, such as music, tips, or comedy. Naturally, the intensity of people opening TikTok Live is more likely to be looking for entertainment rather than shopping. Because of this, the Shopee Live feature, part of Shopee e-commerce, is more suitable for various brands and sellers who want to optimize sales. The shopping plans and intentions of Shopee Live visitors are also in line with data on the live streaming platform, where Shopee Live has the highest market share of the number and value of transactions.

Turner (2015) generation Z depends on the internet because this generation can easily access the internet via cell phones and their participation in the era of globalization. Because it is so easy to use, the internet has become the main source for finding information. Apart from that, generation Z's decision to purchase online is due to consumer limitations and access, desires, technology, product and price limitations, flexibility, efficiency, convenience, economical, and social. Hanaysha (2022) a purchasing decision is influenced by the aspects that become a reference for a potential consumer interested in making a purchase, namely product choice, brand choice, dealer choice, time of purchase, and number of purchases. Khasanah and Kuswanto (2023) purchasing decisions can be influenced by Shopee Live Streaming or live broadcasts on the Shopee platform. Shopee Live Streaming allows sellers to interact directly with potential buyers, show products in real time, provide product reviews, answer questions, and provide special offers or discounts during the broadcast.

Surianto et al. (2021) with various information delivered directly and interactions between sellers and potential buyers, Shopee Live Streaming can have a significant influence on purchasing decisions, especially for those who prefer a more interactive and informative shopping experience. Shopee Live Streaming is not only a platform for showcasing products but also a very effective tool for influencing buyers' interest and desire to purchase products, especially because of the direct interaction, in-depth information, and promotional appeal provided during live broadcasts.

CONCLUSION

The conclusion of the research results shows a significant and positive influence of the live streaming variable on purchasing decisions in Generation Z, with a magnitude of 63.27%. The results of this research provide information that live-streaming activities can attract consumers to buy, and seller products can reach a wider market, directly educate consumers about the products offered by sellers, and increase immediate feedback. So, the live streaming feature provided by Shopee can be used as an effective marketing strategy. The Shopee live streaming feature in marketing is to create a stronger connection between brands and consumers, increase awareness, and encourage purchasing action through direct interaction, in-depth information, and attractive offers.

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