

Interactive Live Streaming: Analysis of Online Marketing Communication in Online Shopping

Ainil Mardiah¹, Susi Evanita², Larisya Syawalki³

¹Entrepreneurship Study Program, Universitas Adzkia, Indonesia

^{2,3}Department of Management, Universitas Negeri Padang, Indonesia

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ABSTRACT

The purpose of this study is to determine and analyze how consumers perceive the added value when shopping through interactive live streaming, their interest in sales conducted via interactive live streaming, and their confidence in online stores that carry out interactive live sales promotions. Data collection techniques include interviews, observation, data sources (informants), and documentation. The data analysis technique used involves presenting data and drawing conclusions. In summary, this research provides valuable insights into the multifaceted effects of interactive live streaming within the context of online shopping. The findings underscore the importance of added value, consumer interactions, and seller trust in shaping consumers' online shopping experiences. These insights carry significant implications for businesses seeking to optimize their online presence and customer engagement strategies.

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Corresponding Author:

Ainil Mardiah,
Entrepreneurship Study Program,
Universitas Adzkia,
Jl. Taratak Paneh No. 7 Kalumbuk, Kec. Kuranji, Kota Padang, Sumatera Barat 25175, Indonesia.
Email: ainilmardiah@adzkia.ac.id

1. INTRODUCTION

The digital era has transformed many social arrangements in society's life. The fast-paced and efficient dynamics have driven consumers to change their shopping behavior from offline to online. Shopping online is a more economical and affordable alternative compared to traditional shopping. This is also supported by the easy access to online shopping platforms such as e-commerce and social media. E-commerce involves the distribution, sale, purchase, and marketing of products (goods and services) through telecommunication networks like the internet. In other words, e-commerce is the electronic process of conducting product transactions (Carysa Siahaya et al., 2021). Referring to this situation, businesses must utilize the presence of these e-commerce platforms to increase their revenue.

Using e-commerce as a business medium is certainly not as easy as it may seem. Entrepreneurs must be creative in order to make the offered products appealing to consumers. One way to do this is by designing marketing communication strategies for the business being conducted. With the implementation of marketing communication strategies, consumers can be influenced, thus generating an attraction for them to purchase the services or products being promoted by the company (Rahayu & Fatima, 2019). If marketing communication was usually carried out offline, it must now transform into online marketing communication. This is because marketing strategies must inherently adapt to the changing demands of consumer behavior. Online marketing communication is a comfortable and interactive medium. According to (Dabhade & Bhagwat, 2020), online marketing

communication is how businesses create expectations about products for consumers. Expectations for these products can be built through online personal selling.

Online personal selling is a form of marketing communication that involves interaction between sellers and potential customers online. The purpose of online personal selling is to provide information, persuade, or influence potential consumers to purchase the product (Hamdan et al., 2020). This must be effectively utilized by businesses to consistently provide updated content and information about the products being sold. However, recently a new phenomenon has emerged in the realm of online personal selling, which involves conducting interactive live streaming on e-commerce and social media platforms. Meanwhile, live streaming as a marketing communication medium has received relatively little attention from researchers, despite its increasing popularity. Until now, there have been few studies discussing the role of live streaming in boosting sales (Yu et al., 2018).

In 2016, Taobao Alibaba introduced the concept of combining live streaming and business for the first time. In less than five years, this innovation has transformed the online shopping landscape in China and subsequently spread worldwide. For consumers, live streaming provides an impulsive consumption experience (Chen, 2021). Consequently, it is relatively easy for businesses to entice customers into making purchases, especially given the relatively low prices offered during live streaming. This encourages consumers to make impulsive purchases when they first see the live stream. In this regard Cahyani & Artanti (2023) mention that consumers often make sudden or impulsive purchases, meaning they buy goods or services without prior planning and without much thought.

During live streaming, a two-way communication occurs between the seller and the consumer, leading to interactive relationships. This interactive live streaming is used as a communication tool between the seller and the consumer, taking place directly on the online shopping platform. Sellers engage in personal selling by showcasing various products and explaining them in detail to consumers, followed by consumers asking questions in the comment section of the live stream, resulting in a two-way communication. Sellers provide detailed explanations about the products in response to the questions posed during the live stream. Several online shopping platforms utilize this interactive live streaming feature to enhance their sales. Subsequently, consumers experience the added value of shopping through interactive live streaming, including whether they are interested in the products while watching the interactive live stream and how much trust they have in this form of communication.

2. RESEARCH METHOD

This study is a descriptive qualitative research. According to Moleong (2018), the qualitative approach involves direct experiences of research subjects, resulting in descriptive data on behavior, perceptions, actions, motivations, and other aspects described in natural language and utilizing various natural methods. The activities in qualitative data analysis are carried out interactively and continuously at each stage of the research until completion, and the data reaches saturation. The activities in data analysis are data reduction, data display, and conclusion drawing/verification. The description of each activity is as follows: reduction, data presentation, and conclusion drawing.

Marketing communication can be done online, using social media. Marketing communication has elements such as personal selling, sales promotion, direct marketing, and internet marketing. In this research, sellers engage in personal selling conducted online. Sellers do not have to face buyers directly but interact through one of the latest features, interactive live streaming. Buyers can also gain added value from interactive live streaming, feel interested in the products, and engaging in interactive live streaming can increase their trust in the products.

To facilitate understanding of this research, the research framework is presented as follows:

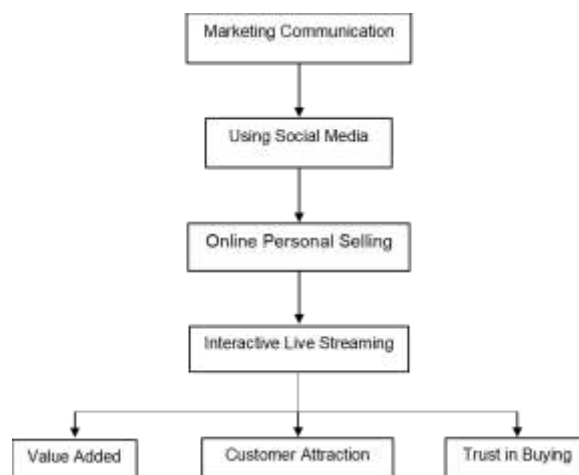


Figure 1. Research Framework

3. RESULTS AND DISCUSSIONS

The research findings are as follows:

The added value referred to in this study exists in several forms, firstly related to the benefits, interactions, and seller honesty.

- a) Benefits of Buying Products through Interactive Live Streaming Perceived by Consumers

The emergence of interactive live streaming features on social media has provided significant benefits to the wider public. Of course, it benefits consumers who participate in these interactive live streams, especially during the product purchase process. Interactive live streaming technology offers consumers the opportunity to directly compare products, ask questions, and receive responses that help them make purchasing decisions with higher confidence. Consumers feel satisfied because sellers are able to meet their expectations well, particularly in explaining each product and addressing consumer questions during these interactive live streams. Consumer satisfaction is influenced by the quality of information they obtain when making purchases on online shopping platforms (Ahmad et al., 2017; Rita et al., 2019; Vasic et al., 2019). Another benefit perceived by consumers is more economical prices, making them feel content when obtaining desired products at lower prices compared to offline shopping.
- b) Interactions Between Consumers and Sellers through Interactive Live Streaming

The results obtained regarding the interactions between consumers and sellers through live streaming on an online shopping platform indicate that online interaction itself implies a communication relationship using social media or e-commerce networks that reach individuals and groups. During the interaction process, customers form close relationships with communities related to brands, which encourages them to purchase products or services associated with those brands. In an interactive and dynamic business environment, customer engagement is strategically crucial for achieving company performance improvements, such as sales growth, superior competitive advantage, and higher profitability levels (Zhang et al., 2022).

Customer engagement behavior has proven to be a key factor in the success of online shopping environments and online brand communities. Active customer engagement within a brand community signifies their willingness to purchase products or services from that brand. In the context of live streaming shopping shows a positive relationship between customer engagement and purchase intention (Sun et al., 2019a).

c) Perceived Seller Honesty by Consumers

Based on the interview results above, consumers have had positive experiences regarding the honesty of sellers in promoting their products through online live streaming. Sellers are perceived as honest because every product description provided aligns well with the product received by the consumers. In their study, Usman & Vuspitasari (2019) revealed that being an honest seller is essential for consumers to trust and have confidence in the products or businesses being conducted. When a business is built on a foundation of honesty, it automatically brings positive impacts to that business. However, if customers have negative experiences regarding the seller's dishonesty about a product, they will not make repeat purchases.

This study demonstrates that the added value of online shopping through interactive live streaming for consumers can positively impact consumer satisfaction, their engagement in brand communities, and trust in sellers. Therefore, companies need to understand the importance of these factors to improve service quality and create positive shopping experiences for consumers.

Consumer Attraction to Products Using Interactive Live Streaming

Consumer attraction to a product can be interpreted as buying interest. Based on the interviews with the three informants, they will only make a purchase when they have already decided on a product that aligns with their expectations while watching the seller's live streaming. Once they have obtained all the necessary information, they proceed to make the purchase. Customer engagement in the interactive live streaming process stimulates them to make purchases. This is also supported by (Sun et al., 2019), stating that buying interest is a psychological statement from the consumer, reflecting a plan to purchase various products from a specific brand. This attraction emerges when consumers feel stimulated by the products displayed during the ongoing live streaming. Eventually, this buying interest or attraction guides buyers to make a purchase.

Consumer Trust in Sellers Conducting Interactive Live Streaming

Consumer trust arises from a liking for a product from the online seller. This also applies to consumers' trust in businesses conducting live streaming during sales. Consumers believe that everything said by the seller regarding a product matches what they receive, making them comfortable during the shopping process. Most of the live streaming promotions on content available on online shopping platforms contain product reviews. This can make consumers confident in the goods or services they are about to use and make them comfortable during the purchasing process (Widayati & Augustinah, 2019). This is also aligned with Leong et al. (2021) who state that online customer trust is a belief and determination, signifying that customers can rely on promises, information, and the belief that the business will not exploit them. This is what makes the informants trust businesses conducting live streaming as a medium in the process of selling their products.

4. CONCLUSION

Based on the discussion above, the following conclusions can be drawn: The added value of online shopping through interactive live streaming for consumers encompasses three important aspects. Firstly, consumers experience benefits in the product purchasing process, as they can directly compare products, ask questions, and receive responses that aid in making purchasing decisions with more confidence. Moreover, the more economical prices are also a benefit perceived by consumers, leading to their satisfaction in obtaining products at lower prices compared to offline shopping. The interaction between consumers and sellers through live streaming becomes crucial in an interactive and dynamic business environment. Active consumer engagement within brand communities has a positive impact on purchase intention. Throughout the interaction process, customers form close relationships with brand-related communities, motivating them to purchase products or services associated with those brands. Customer engagement behavior is a key factor in the success of online shopping environments and online brand communities. Consumers perceive

honesty from sellers in promoting products through online live streaming. Product descriptions provided by sellers align with the products received by consumers, thus instilling trust and confidence in the seller. Seller honesty is vital in building consumer trust in the products or businesses being conducted. Negative experiences with seller dishonesty tend to discourage repeat purchases. Consumer attraction to products through interactive live streaming can be understood as the interest to buy. Results from interviews with three informants indicate that they will only make a purchase when their product expectations are met during the seller's explanation of product details in the live streaming. Consumer engagement in the interactive live streaming process stimulates them to make purchases. Buying interest is a psychological statement from the consumer, reflecting a plan to purchase products from a specific brand. Attraction emerges when consumers feel stimulated by the products displayed in the live streaming, and this buying interest or attraction directs consumers towards making a purchase. Consumer trust in sellers conducting interactive live streaming arises from a liking for the products being offered. Consumers believe that everything said by the seller regarding the product holds true, making them comfortable during the shopping process. Live streaming promotions on online shopping platforms often contain product reviews, which instill consumer confidence and comfort in making purchases. Online customer trust signifies that customers believe businesses will not exploit them. This engenders trust in online shops conducting live streaming as a medium in the product sales process.

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