

CHAPTER I

INTRODUCTION

1.1 TikTok

TikTok, also known as Douyin in Mandarin (抖音; Pinyin: Dǒuyīn), is a platform that allows users to upload videos ranging from 3 seconds to 10 minutes in length. Since its launch, TikTok and Douyin have gained global attention. By October 2020, TikTok had reached approximately 2 billion downloads worldwide, highlighting its significant influence on social media. TikTok was considered one of the fastest-growing brands of 2020 by Morning Consult, ranking third after Zoom and Peacock. TikTok was also noted by Cloudflare as one of the most popular websites of 2021, even surpassing google.com. This underscores TikTok's power in the social media industry and its global popularity(Wikipedia.org, 2024).



Figure 1. 1 TikTok Logo

Source: google (2024)

1.2 TikTok Shop

TikTok Shop, the social-commerce platform launched in Indonesia in April 2021, quickly grew to become one of the biggest platforms in the Indonesian market, securing the third-largest market share within its first year of operation. By the second year, it had climbed to become the second-largest e-commerce platform in the country. One of the standout features of TikTok Shop is live commerce, a shopping method that allows real-time interaction between sellers and buyers through live streaming. This feature has proven to be extremely popular in

Indonesia, with 80% of sales on TikTok Shop coming through live streaming. The platform encourages users to create promotional content for products, and in return, content creators earn commissions for sales made through their referrals. This model has significantly contributed to TikTok Shop's growth, as it harnesses the power of influencers and creators to drive product visibility and sales. The combination of live commerce and affiliate marketing has helped TikTok Shop quickly gain traction in Indonesia's competitive e-commerce landscape (Kadata.co.id, 2024).



Figure 1. 2 TikTok Shop Logo

Source: google (2024)

1.3 Research Background

The swift development of digital technology has made it increasingly difficult for marketers to create successful marketing strategies due to shifts in online consumer behavior (Muturi, 2024). One of the trends that has rapidly developed in this digital era is the use of social media as a highly effective marketing tool to increase consumer purchase interest (Macías Urrego et al., 2024). This has led to the emergence of numerous marketplaces to meet the public's need for purchasing goods online (Liusito & Tulung, 2020). This is because online transactions through marketplaces help both sellers and buyers save time, making it easier to obtain products. Additionally, the items purchased can be directly delivered to the consumers' homes (Sofiana et al., 2021). In this context, TikTok has emerged as one of the most promising platforms, capable of attracting the

attention of millions of users worldwide, particularly among the younger generation (Rosmiati, 2022).

The social commerce business model is rapidly gaining traction due to its distinct advantages over traditional e-commerce (Hennig-Thurau et al., 2004). This model combines entertainment, social interaction, and shopping into one seamless experience, making it easier for consumers to discover and purchase products in real-time (Silva et al., 2020). The engaging nature of social platforms, paired with the influence of creators and live interactions, enhances emotional connection and trust, further motivating spontaneous purchases (Poh et al., 2024).

Table 1. 1 Time Spent Using Social Media Apps

No.	Social Media Platform	Average Time per Month
1	TikTok	38h 26m
2	YouTube	31h 28m
3	WhatsApp	26h 13m
4	Instagram	16h 10m
5	Facebook	12h 56m
6	X (Twitter)	6h 26m
7	Telegram	3h 53m
8	LINE	2h 43m
9	Pinterest	1h 26m
10	Snapchat	1h 03m
11	Facebook Messenger	54m
12	LinkedIn	37m

Source: meltwater (2024)

With the power of short-form videos that are interactive and creative, TikTok has succeeded in creating a more personal and engaging social media experience for its users (Zhou, 2024). As seen from Table 1.1, TikTok users spend around 38 hours per month, which is higher compared to other platforms like YouTube (31 hours 28 minutes, Whatsapp (26 hours 13 minutes), Instagram (16 hours and 10 minutes) Facebook (12 hours 56 minutes), X (6 hours 26 minutes), Telegram (3 hours 53 minutes), Line (2 hours and 43 minutes), Pinterest (1 hour

and 26 minutes), Snapchat (1 hour and 3 minutes), Facebook Messenger (54 minutes), and LinkedIn (37 minutes). This is means TikTok is dominance in engagement time provides a significant opportunity for marketers to reach a wider and more segmented audience in a more efficient and effective way.

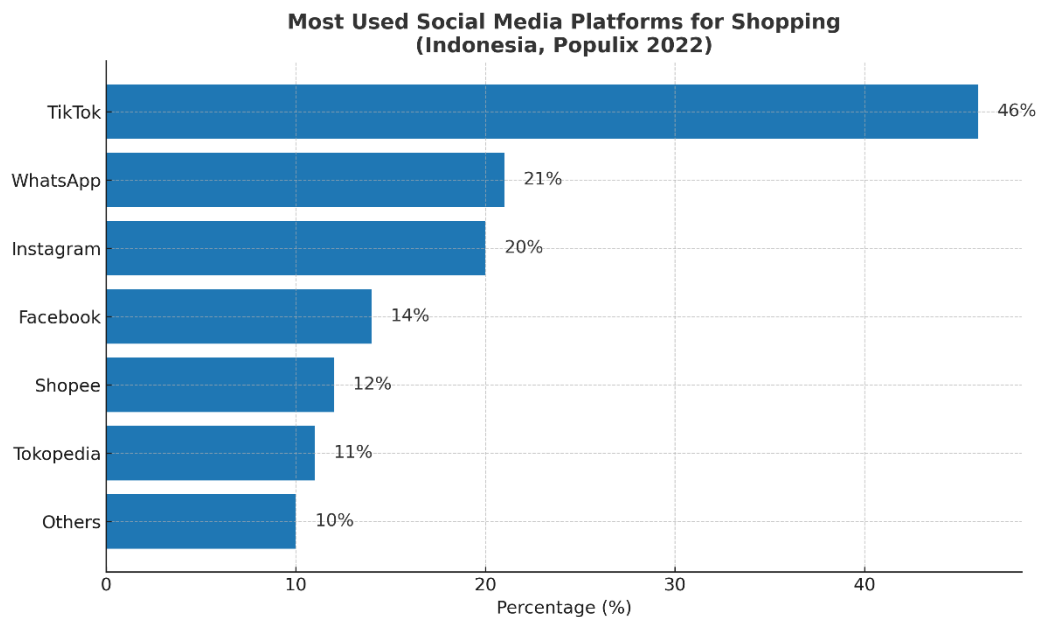


Figure 1. 3 Most Used Social Media Platform for Shopping

Source: populix (2022)

Figure 1.3 illustrates a survey conducted by Populix, which illustrates the popularity of various social media platforms in Indonesia for online shopping. With 46% of respondents, TikTok Shop is the most popular platform for shopping in Indonesia. This highlights how TikTok, originally a social media app for videos, has become a significant e-commerce tool through its integrated shopping features, such as TikTok Shop, where users can purchase items directly from videos and live streams. In second place, with 21% of respondents using it for shopping. WhatsApp is often used by businesses for direct communication with customers, facilitating product inquiries, orders, and even transactions via chat. Facebook Shops and Instagram Shopping, both platforms are tied for third place, with 10% of respondents using them to shop. These platforms offer integrated shopping features that allow businesses to set up virtual stores, enabling users to browse and purchase

items directly through posts and advertisements. Telegram, Line Shopping, and Pinterest, these platforms have a much smaller user base for shopping, with only 1% of respondents using each one.

TikTok Shop represents an integrated social commerce solution designed to streamline online transactions by eliminating platform fragmentation. As a native in-app feature, it enables complete purchase from product discovery through algorithmic feeds to checkout without requiring external redirects to third-party sites or applications (Nur et al., 2023). This distinguishes TikTok's approach from conventional social commerce implementations like Meta's platforms (Facebook/Instagram Shopping), where transaction completion typically necessitates interface switching (Zhao et al., 2023).

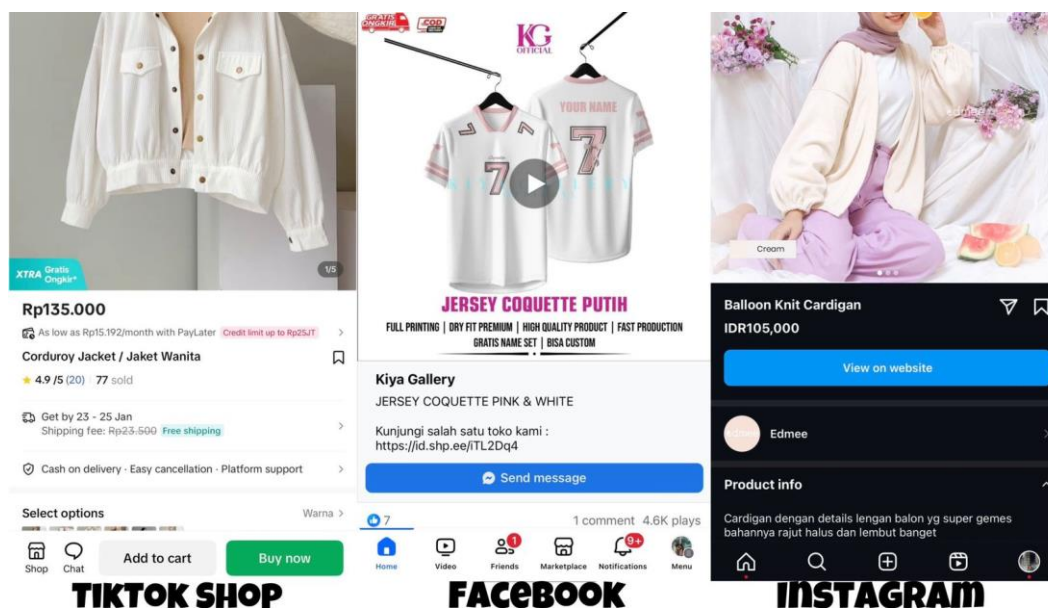


Figure 1. 4 TikTok Shop, Facebook, and Instagram

Source: google (2024)

It can be seen in Figure 1.4, both Instagram and Facebook still require the use of third parties and do not allow direct transactions within the app. In contrast, as shown on TikTok Shop, customers can directly make a purchase by clicking the "Buy Now" button within the TikTok app itself. This is also highlighted in the research by Rosmiati (2022), which states that TikTok Shop differs from other

social commerce platforms in that it does not require a third party in the transaction process. This integration streamlines the buying and selling experience, creating a seamless and more efficient platform for both consumers and sellers.

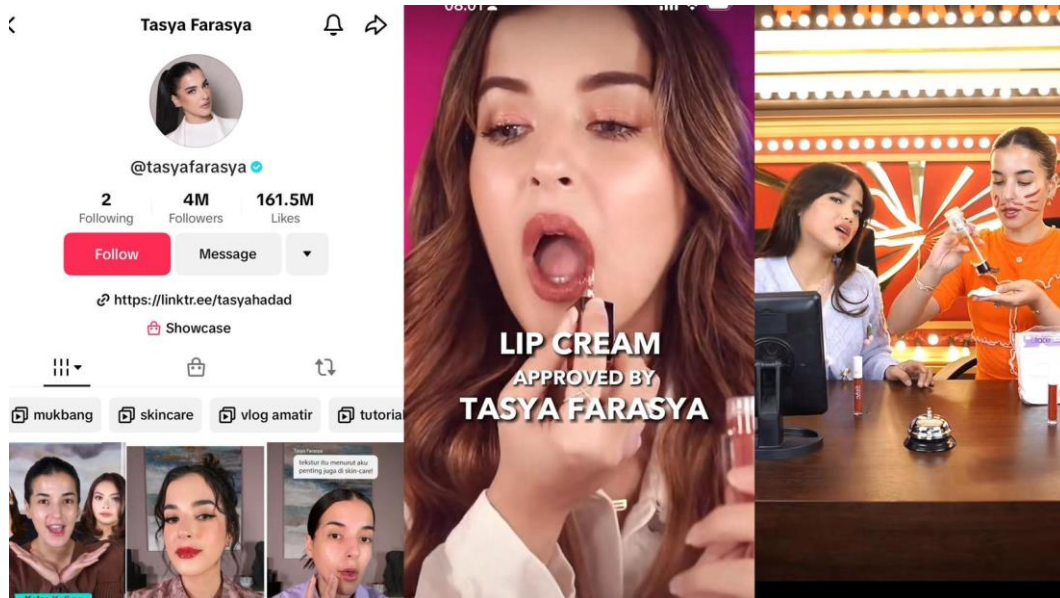


Figure 1.5 Indonesian Influencer Tasya Farasya

Source: Kalodata (2024)

It can be seen in Figure 1.5, Tasya Farasya is an Indonesian celebrity influencer known for her integrity and credibility in creating digital content. She carefully identifies the needs of her audience, ensuring her reviews are more targeted and relevant. Tasya always uses the products she reviews for a month before providing feedback. Many people consider the label "Tasya Farasya Approved" as a key reference when purchasing beauty products. In fact, several cosmetic brands in Indonesia frequently feature this label on their products.

According to Yanti et al. (2023), when making online purchases, the most important factor to consider is the reputation of the online store on TikTok, and whether it can be trusted, which can be determined by looking at customer testimonials. Meanwhile, according to Kamila in (Duta et al., 2022), explain that consumers tend to trust reviews given by other consumers more than the

information presented by business owners because they perceive fellow consumers as unbiased and more trustworthy. Online consumer reviews are considered more relevant when describing a product in relation to the user's situation and are able to measure the product's performance from the user's perspective (Gharib et al., 2020).

The presence of features in TikTok such as customer reviews, star ratings, unboxing videos, and live streaming reviews can provide additional information that plays a crucial role in consumer involvement with a product they are considering purchasing (Dahniar et al., 2023). These types of content serve as social proof, offering insights into the product's quality, functionality, and overall satisfaction from other consumers (Liu, 2025). As a result, they can significantly influence the consumer's decision-making process by increasing engagement, trust, and confidence in the purchase decision (Wongkitrungrueng & Assarut, 2020).

In online transactions, trust plays a very important role because trust will drive consumers to engage in online transaction. This is because potential buyers cannot directly see the products being sold (Gefen et al., 2015). Trust is crucial in building relationships, especially in purchases made through social networking sites or in-service businesses that involve risks and a lack of information between the seller and the buyer (Ryswaldi & Pujani, 2020). Establishing this trust is vital because the online experience cannot replicate the atmosphere and product interaction of traditional shopping. However, the availability of Live Streaming enables business owners to engage with customers in-depth, showcase products through demonstrations, and address potential buyers' questions instantly (Febri Annisa et al., 2024). With live streaming, sellers can create a sense of trust among consumers that the products being offered are reliable, which ultimately influences purchasing decisions. If consumer trust is established through live streaming, this presents a significant opportunity for business owners (Elvi Susanti & Suhroji Adha, 2023). According to Hu & Chaudhry (2020), the shopping experience with live streaming can enhance authenticity, real-time visualization, and interactivity, which help build customer trust, reduce uncertainty, and increase conversion rates and sales.

Before purchasing something, consumers will show interest in the product. This interest known as purchase decision involvement. It refers to how much concern or attention a consumer gives to the product or brand they decide to buy. This concern manifests as a mindset that reflects a person's views on what is right or wrong in terms of their choices, which can significantly influence them. It can also be described as the degree of attraction and attention that a consumer applies when making a purchase decision. Essentially, it relates to how much the consumer is engaged and focused on the decision-making process for a specific product or brand. The level of purchase decision can be identified by how much effort the consumer puts into searching for information about a product to solve a problem or meet their needs (Mittal, 1989).

During the purchasing decision stage, consumers have interest and concern, which is a conceptual mindset about anticipating the purchase decision (Kotler & Keller, 2022). Since there are many alternatives and brand options available in the market, consumers consider which choice is the most suitable for them, leading to the right choice during the decision-making process, which indirectly influences their intention (Ryswaldi & Pujani, 2020).

In this context, social media usage and electronic word of mouth (e-WOM) have become two crucial elements influencing consumer opinions and purchase decisions (Anand et al., 2023). However, despite the increasing influence of these factors, many businesses still face challenges in understanding how social media usage and e-WOM precisely affect the trust and involvement in consumers' purchase decisions. Modern consumers rely heavily on online reviews and shared experiences (Dhanabal, 2024), yet the relationship between these digital interactions and purchasing outcomes remains underexplored. TikTok, as a short-form video platform, facilitates rapid information spread through algorithmic personalization (Lartey, 2024), but its actual impact on trust-building and purchase intention requires deeper investigation.

While previous studies have examined the separate effects of social media usage and e-WOM on consumer behavior, limited research has integrated these variables into a cohesive model that includes trust as a mediating factor. Particularly in the context of TikTok Shop—an emerging social commerce platform—there is a lack of empirical research that explains how social media usage and e-WOM influence purchase decision involvement through the formation of trust. This gap highlights the need to investigate the interrelationship between these variables to provide a more comprehensive understanding of consumer decision-making in the digital age.

However, the phenomenon of information overload on social media also raises concerns regarding the credibility and trustworthiness of the information received (Appiah Kusi et al., 2022). Not all information spread through e-WOM is highly trustworthy, which leads consumers to be more selective in processing the information (Atta et al., 2020). This is where trust plays a crucial role both in relation to the message sender and the platform itself (Ilmiyah & Krishernawan, 2020). Trust can mediate how e-WOM and the intensity of social media usage affect purchase decision involvement (Prasad et al., 2017). Although many studies have discussed e-WOM, social media usage, and trust separately, research on the interrelationship between these three variables in influencing purchase decision involvement, especially with trust as a mediating variable on TikTok is still limited.

Based on the phenomena and background, the author feels strongly interested to investigate furtherly with the title of the study **“Influence of Trust in Mediating e-WOM And Social Media Usage Toward Purchase Decision Involvement at TikTok”**

1.4 Research Question

Based on the research background above, the following research questions are formulated:

1. Does social media usage significantly affect purchase decision involvement on Tiktok?

2. Does electronic word of mouth significantly affect purchase decision involvement on Tiktok?
3. Does social media usage significantly affect purchase trust on Tiktok?
4. Does electronic word of mouth significantly affect trust on Tiktok?
5. Does social media usage significantly affect purchase decision involvement through trust as mediating variable on Tiktok?
6. Does electronic word of mouth significantly affect purchase decision involvement through trust as mediating variable on Tiktok?
7. Does trust significantly affect purchase decision involvement on Tiktok?

1.5 Research Objective

Based on the background and research questions, the research objectives are determined as follows:

1. To examine the effect social media usage and purchase decision involvement on Tiktok
2. To examine the effect electronic word of mouth and purchase decision involvement on Tiktok
3. To examine the effect social media usage and trust on Tiktok
4. To examine the effect electronic word of mouth and trust on Tiktok
5. To examine the effect social media usage on purchase decision involvement mediated by trust on Tiktok
6. To examine examine the effect electronic word of mouth on purchase decision involvement mediated by trust on Tiktok
7. To examine the effect of trust on purchase decision involvement on Tiktok

1.6 The Scope of Study

The scope of the research aims to keep the research within its scope. So that the research remains focused and directed so that the research objectives can be achieved. The following are study limitations:

1. This research is Influence of Trust in Mediating E-Wom And Social Media Usage Toward Purchase Decision on Tiktok.

2. Respondents who are TikTok users in Jakarta

1.7 The Significant of Study

1.7.1 Theoretical Aspect

The results of this study are expected to enlighten and complement the scientific study in the field of business management, especially those related to the internal factor, decisions making as well purchasing decisions. In addition, some of the findings revealed in this study are also expected to be used as a reference for further research related to the study

1.7.2 Practical Aspect

The results of this study are expected to be used as input for consumer that use e-commerce as well as for other consumer who visit e-commerce organization, especially in e-commerce on Indonesia, to get better understanding and knowledge the role and important of internal factor. In addition, the results of this study are expected to provide an overview for readers and students who will do the same research in the future about social eternal factors.

1.8 Systematic of Writing

Arrangement of writing systematics to provide an overview of information regarding materials, methods, and other matters related to research. This section includes systematics and a brief explanation of this research which is arranged from Chapter I to Chapter V.

a) CHAPTER I INTRODUCTION

The first chapter discusses a general explanation regarding the description of the research object, background, problem formulation, research scope and writing systematics.

b) CHAPTER II LITERATURE REVIEW

The second chapter contains an explanation of the summary of the theory, previous research, frameworks and hypotheses.

c) CHAPTER III RESEARCH METHOD

The third chapter provides an explanation of the approaches, methods and techniques used to collect and analyze data that can provide answers to research problems.

d) CHAPTER IV RESULT AND DISCUSSION

The fourth chapter provides a description of the research results from the findings that are then analyzed by proving the hypothesis of the research.

e) CHAPTER V CONCLUSIONS AND SUGGESTION

In the fifth chapter, it provides conclusions about the discussion of research and contains suggestions given by researchers.