



Impacts of Live Commerce Towards Purchase Intention Among Malaysia Adults

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Abstract. The live commerce industry has had a significant impact to the world economy in recent years. For Malaysia, the existence of the pandemic has prevented people from going out to shop due to restrictions, resulting in a decrease in the income of various industries. Therefore, this study aims to determine how the live-streaming industry affects purchase intentions among Malaysian adults. This study refers to Theory of Planned Behavior (TPB) to conceptualize the determinants of live streaming affecting purchase intention, namely social interaction, visualization, entertainment, and professionalization. The study had 215 respondents from various states in Malaysia. The questionnaire was designed using Google Form and distributed to these respondents. Multiple regression analysis was used to examine the relationship between purchase intention and independent variables. The results showed that social interaction and entertainment have a positive relationship with purchase intention towards live commerce, but the visualization and professionalization have no relationship with purchase intention. In Malaysia, the most effective influence on purchase intention in live broadcast is entertainment. It is expected that this study will benefit future researchers and industry players as a reference point for improving the Malaysia adults' purchase intentions while watching live broadcasts.

Keywords: Live commerce · Behavioral intention

1 Introduction

The development of e-commerce has brought enormous convenience to people. Due to the rapid development of the Internet, the development of e-commerce in the world is very rapid. With the help of the Internet, people can shop without going out and using computers or mobile phones. Compared with foreign countries, e-commerce in Malaysia started relatively late. From 2008 to 2011, many C2C platforms such as eBay and Lelong have just introduced into Malaysia. C2C platforms not only enable Malaysians to sell and buy products in a reliable and convenient way, but also stimulate the use of online payment

methods. For example, eBay, that gives Malaysians access to products sold overseas, forces users to register with PayPal and make online purchases through the use of online bank transfers, credit and debit cards (Tech Wire Asia, 2018). From 2012 to 2014, many e-commerce platforms such as Lazada, Zalora, Rakuten and Hermo entered Malaysia (Tech Wire Asia, 2018). Among those e-commerce platforms, Lazada has become the most famous e-commerce platform in Malaysia. Consumers can access the platform through a mobile device or a computer website, and Lazada offers a various payment methods like cash on delivery, as well as good customer service and free returns, with product categories ranging from consumer electronics, household goods, and fashion. At the end of 2014, global e-commerce sales reached US\$1 trillion, but e-commerce in Malaysia has not been fully developed. The Malaysia government realized the economic benefits brought by e-commerce and decided to plan the National e-commerce strategic roadmap in 2016 (Tech Wire Asia, 2018). The program's primary goals are to support the small and medium-sized enterprises (SMEs) in the perspective of e-commerce adoption, at the same time enhance SMEs e-commerce training and talent development, as well as construct a one-stop business portal for SMEs (MDEC, n.d.). In 2015, new e-commerce platforms such as GoShop, 11street and Shopee were added to Malaysia. Among many competitors, Shopee becomes Lazada's main competitor. In 2018, the Digital Free Trade Zone (DFTZ), launched by the Malaysia Digital Economy Corporation (MDEC) with the help of Alibaba, allowed e-commerce in Malaysia to grow faster with the help of corporate and government initiatives (Tech Wire Asia, 2018).

According to CNNIC in 2015, a new business concept was born, and it blossomed in 2019. Live commerce has become the fastest growing online event in e-commerce (Zhu Ying, 2021). Live streaming business, which emerged from social commerce, has exploded in popularity in China in recent years. It's a new business strategy that allows sellers to communicate with customers face to face (Lee & Chen, 2021). According to eMarketer, livestream shopping will bring in \$480 billion in China this year, but from Foresight Research that just only \$11 billion in the United States. That might change rapidly, though, as Facebook, Amazon, TikTok, Twitter, and other internet behemoths such as Pinterest are all diving headfirst into livestream shopping (Koetsier, 2022). Streaming in real time with the expansion of the Internet and widespread use of mobile devices, commerce on Social Networking Sites (SNSs) such as Shopee Live and Facebook Live has grown significantly. The rise of live streaming commerce has been aided by maturing social commerce platforms (Kang et al., 2021). E-commerce has risen to the top as a result of a fundamental shift in consumer behaviour brought on by the epidemic. Using e-newest commerce's technology- Livestreaming, brands may maximize their success (Yu, 2020). Scholars have conducted extensive research on impulse buying behaviour. With the increasing popularity of live streaming lately, there is less research conducted to study the factors that affect consumers' purchase intentions on live streaming platforms. For this reason, the main objective of this study was to examine the factors that impact consumers' purchase intentions on live streaming stations. For definitions and criteria, this article examines the literature and published research on Malaysia adults' purchase intentions and live streaming platforms. According to Market Research Future (2021), the live streaming market is predicted to reach \$247.27 billion by 2027, with a compound yearly growth rate of 28.1%, based on current industry development

trends. Therefore, this research will be of vital help to the future live streaming-related industries.

Consumers watch live broadcasts for the simple reason that they enjoy it, and the major reason they have a positive opinion of the live broadcast is that it has entertainment element that people feel fun and joy (Chen & Lin, 2018). The anchor's extensive and comprehensive explanation of the product demonstrates "professionalism." The anchor quickly explains the product's functions and use information, which not only saves customers time and money by allowing them to grasp the product on their own, but also assures the product's "credibility" and boosts the consumer's favorability and confidence.

According to the journal of Huang & Suo (2021), the factors influencing impulse buying decisions in the study are price promotion, promotion time frame, perceived opportunity cost, customer-host interaction, consumer-consumer interaction and visual appeal. And this makes us feel that the lack of entertainment and professional live broadcast cannot influence purchase intention, so we think this research needs to figure up.

2 Hypotheses Development

2.1 Social Interaction

In this study, social interaction refers to the process by which an individual or group takes social actions towards others and the other party responds to social actions. It is a process of mutual social action that occurs between two individuals or more individuals (Lumen, n.d.). As comparison with traditional e-commerce, the prominent social attributes in social commerce make the relationship between audiences and streamers closer (Yin et al., 2019). In live-streaming e-commerce, audiences are able to interact with live-streaming platforms by sending bullet comments and gifts (Ming et al., 2021). In addition, live streaming lets audiences watching video streams in real time while also improving social interaction via chat (Bründl et al., 2017). Audiences can obtain more information through social interaction such as product experience sharing, product recommendation, community discussion and so on. The feature of live streaming to publish audio and video multimedia content in real time makes interaction seamlessly and enjoyable, and streamers able to gain potential customers in this way (Olenski, 2015). During the live broadcast, streamers were able to answer questions in the comment area in real time and have a good interaction with the audiences.

Yunwei (2021) stated that whether streamers are highly interactive is a decisive factor affecting consumers' purchase intention. According to a study by Cho & Yang (2021), there is a positive relationship between interactivity of live broadcast and consumer's purchase intention. Thus, we hypothesize:

H1: There is relationship between social interaction of live broadcasting and purchase intention among Malaysia adults.

2.2 Visualization

In this study, visualization is the degree to which the live broadcast is transformed into a visible form. Live broadcast can ensure that the video and broadcast that consumers see is live or real-time, because live broadcast is not like traditional e-commerce, which can display product details by modifying pictures and videos later (Yunwei, 2021). The product fit uncertainty often arises when audiences do not have enough information to assess whether experience products such as clothes and cosmetics are suitable for them. Live broadcasting can effectively help streamers present product details, as well as various other physical attributes, which are easily displayed through live imagery (Xu et al., 2019). Audiences are able to compare themselves to the streamer's body shape or skin tone and judge whether the experience product is right for them.

Krishna (2012) stated that marketers can use sensory marketing to trigger consumers' five senses experience and influence consumers' perception, judgment and behavior. Huang & Suo (2021) stated that visual impact can stimulate the demand of consumers, which in turn prompts them to generate purchase intentions. Wardhani & Chen (2021) also proved that visualization has a positive and significant impact on purchase intention. Thus, we hypothesize:

H2: There is relationship between visualization of live broadcasting and purchase intention among Malaysia adults.

2.3 Entertainment

In this study, entertainment refers to the level of enjoyment and fun consumers feel in live broadcast (Cho & Yang, 2021). People like certain technologies because it can bring them a pleasant experience. Compared to high quality and low price, today's consumers pay more attention to the fun brought by shopping (Yunwei, 2021). Ma et al. (2022) stated that audiences will feel a lot of enjoyment just by watching the products displayed by the streamers in the live broadcast. In addition, live broadcasts also can keep customers engaged and reduce their boredom by hosting the inclusion of enjoyable and entertaining activities relating to products or incentives such as lottery draws, buy one free one promotion, auction events, talent show and limited-time discounts (Ma et al., 2022; Wongkitrungrueng & Assarut, 2020). Moreover, streamers can create a lively atmosphere and fun in the live broadcast, making viewers feel that they are not just buying a product but watching an entertainment program (Ma et al., 2022). Therefore, consumers are not only in the live broadcast room to meet their own shopping needs, the entertainment activities in the live broadcast room can also provide consumers with some profound experience.

According to a study by Haile & Kang (2020), entertainment has a significant positive effect on purchase intention. According to the research of Al-alak & Alnawas (2010), there is a positive relationship between perceived entertainment and purchase intention. Cho & Yang (2021) have also confirmed there is a positive relationship between entertainment and purchase intention. Thus, we hypothesize:

H3: There is relationship between entertainment of live broadcasting and purchase intention among Malaysia adults.

2.4 Professionalization

In this study, the degree to which a streamer provides correct and effective knowledge or experience in live broadcasting is referred to as professionalization (Ma et al., 2022). For streamers engaged in live commerce, it is a must to be familiar with and master the expertise of the products they recommend and promote. When the streamers can introduce the product in detail, it can reflect the professionalization of the streamers (Zhang et al., 2022). The professional level of the streamers affects the audience’s recognition and trust in the products introduced by the streamers, because the audience will think that the streamers is professional in the field (Xu et al., 2022). On the other hand, salespeople with professional interpersonal skills and persuasive communication skills can lead to excellent sales performance (Kokemuller, n.d.).

Yunwei (2021) stated that whether streamers are professional is a decisive factor affecting consumers’ purchase intention. The research from Chen et al. (2021) proves that professionalism has a positive effect on purchase intention. According to a study (Cho & Yang, 2021), there is a positive relationship between streamers’ expertise and consumer’s purchase intention. Thus, we hypothesize:

H4: There is relationship between professionalization of live broadcasting and purchase intention among Malaysia adults.

2.5 Conceptual Framework

See Fig. 1.

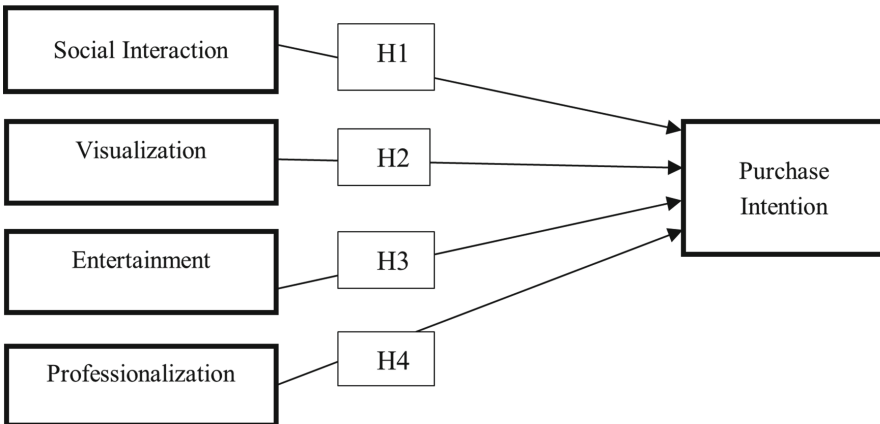


Fig. 1. Research Framework

Table 1. Demographic profile summary.

Demographic Variables	Category	Frequency	Percentage (%)
Gender	Male	93	43.3
	Female	122	56.7
Age	18–24	113	52.6
	25–34	59	27.4
	35–41	31	14.4
	>41	12	5.6
Race	Chinese	200	93.0
	Indian	2	0.9
	Malay	13	6.0

3 Research Methodology

Questionnaire was developed and distributed to respondents for the duration of a month. Samples were collected from 384 Malaysians. There are two sections in the questionnaires; the first section is about respondents' demographic details. Demographic details are showed in Table 1. The second section contained statements ranging from 1 (strongly disagree) to 5 (strongly agree) that relate respondents' experience with live commerce.

4 Results and Discussion

Reliability of the data were checked using Cronbach's alpha coefficient. PI = 0.922, SI = 0.932, VI = 0.907, EN = 0.935, and PR = 0.927. The results showed and revealed that each of the scales used to measure the independent variables and the dependent variables presented acceptable levels of reliability – above the minimum level of 0.70.

Next, multiple regression analysis evolved to determine the strength of all variables towards purchasing intention. The regression analysis results presented that all the four variables accounted for 80 percent of the variance in the prediction of user's intention to adopt live commerce, $F = 212.646$, $p < .001$. He results revealed that SI had a significant effect with user's purchasing intention ($r = 0.00$, $p < .01$). Thus, H1 is supported. EN also had a significant impact with the dependent variable ($r = 0.00$, $p < .01$), thus also supporting H3. VI had no significant correlation with intention to adopt ($r = 0.00$, $p > .01$). Therefore, H2 is not supported. H4 is not supported with ($r = 0.59$, $p > .01$) (Tables 2 and 3).

Table 2. Correlations coefficients for establishing variables' association.

Variables	SI	VI	EN	PR
PI	0.858**	0.793**	0.871**	0.817**
Sig. (2 tailed)	0.000	0.000	0.000	0.000
Cronbach's α	0.869	0.867	0.889	0.901

Note. Correlations are based on N = 215: * p < .05, ** p < .01

Table 3. ANOVA and model summary statistics.

	R Square	Adjusted R Square	Mean Square	F	Sig.
Regression	0.896	0.802	48.631	212.646	0.000
Residual			0.229		
Total					
	B	SE	β	t	Sig.
(Constant)	0.410	0.085	0	0.473	0.637
PE	0.410	0.079	0.368	5.204	0.000
PEOU	0.004	0.077	0.003	0.048	0.961
PE	0.482	0.076	0.464	6.365	0.000
PR	0.106	0.081	0.097	1.313	0.190

5 Conclusion and Implications

Social interaction was proven to have a positive influence toward purchase intention of Malaysia adults in live commerce. Conforms to the following literature: Compared with traditional e-commerce, the prominent social attributes in social commerce make the relationship between audiences and streamers closer (Yin et al., 2019). In live commerce, audiences are able to interact with live-streaming platforms by sending bullet comments and gifts (Ming et al., 2021). In addition, live streaming allows audiences to watch video streams in real time while also improving social interaction via chat channels (Bründl et al., 2017). Audiences can obtain more information through social interaction such as product experience sharing, product recommendation, community discussion and so on. The feature of live streaming to publish audio and video multimedia content in real time makes interaction seamless and fun, and streamers can generate a lot of potential customers in this way (Olenski, 2015). From this study, it can be found that Malaysia adults are more capable of having a positive influence on purchase intention for live streaming with social interaction. It can be seen that Malaysia adults are willing to communicate with others in live streaming and are willing to share their experience with others in Chat Box.

Visualization refers to the degree to which the live broadcast is transformed into a visible form. According to the findings in Sect. 4, visualization has a positive insignificantly to purchase intention. The data from this study indicate that unlike other literature, Malaysian adults do not pay much attention to the visualization of goods, but as the literature is limited, more research must be conducted in the future to refine the data. Compared with letting the live broadcaster use the product, the viewer is more inclined to try it on his own when comparing himself with its effect. It may be that Malaysian adults do not pay too much attention to the product information conveyed to consumers by the livestream host when they buy products in the livestream, because consumers are adults and have mature consumption ability, and they are more inclined to the feeling of their own experience when they consume.

The result reveals entertainment has the most influence on the live commerce toward purchase intention of Malaysia adults. Entertainment was proven to have a positive influence toward purchase intention of Malaysia adults in live commerce. Conforms to the following literature: Compared to high quality and low price, today's consumers pay more attention to the fun brought by shopping (Yunwei, 2021). Ma et al. (2022) stated that audiences will feel a lot of enjoyment just by watching the products displayed by the streamers in the live broadcast. In addition, live broadcasts also can keep customers engaged and reduce their boredom by hosting the inclusion of enjoyable and entertaining activities relating to products or incentives such as lottery draws, buy one free one promotion, auction events, talent show and limited-time discounts (Ma et al., 2022; Wongkitrungrueng & Assarut, 2020). Moreover, streamers can create a lively atmosphere and fun in the live broadcast, making viewers feel that they are not just buying a product but watching an entertainment program (Ma et al., 2022). The study reveals Malaysian adults' love for entertainment. Malaysian adults seem to watch live streaming as if it were a variety show and they want to be happy. A humorous streamer can bring happy emotions to consumers and make them spend more time and money watching the live broadcast. The interesting activities in the live broadcast can just be connected with another dependent variable (social interaction), which can create a strong bond between consumers and the streamer.

In this study, the degree to which a streamer provides correct and effective knowledge or experience in live broadcasting is referred to as professionalization (Ma et al., 2022). According to the findings in Sect. 4, specialization does not significantly affect purchase intention, but it is not conclusive due to the limited literature, and more research is needed in the future to refine the data. According to the results of the data, the streamers in the live broadcast are not as dependent on their literature expressions. Although the streamer has professional knowledge, consumers will think that the streamer mainly promotes products, so they will praise the products. Consumers trust their own judgment more than the professionalism of the streamer.

5.1 Conclusion

The main findings of the current study were developed based on the Anova test and P-value results, which help demonstrate the importance of the relationship between IV and DV. These impacts are presented to provide practitioners with better insights and potential recommendations to improve the live streaming industry as soon as possible. Finally, limitations of the current study and recommendations are presented to help future researchers improve the quality of their research or target new areas of respondents. In addition, there may be other factors that cause live broadcast to affect purchase awareness. Practitioners can use the factors of this study to obtain more complete experimental data.

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