

THE INFLUENCE OF INTERACTIVITY, EXPERTISE, PROMOTION INCENTIVE INFORMATION, PROMOTION TIME LIMIT, PERCEIVED ENJOYMENT AND PERCEIVED VALUE ON THE URGE TO BUY IMPULSIVELY IN LIVE COMMERCE IN INDONESIA

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ABSTRACT

This study aims to analyze the influence of interactivity, expertise, promotion incentive information, promotion time limit, and perceived enjoyment on the urge to buy impulsively on live commerce platforms in Indonesia. Using the S-O-R (Stimulus-Organism-Response) model, this study explores how stimuli, represented by interactivity and expertise, can affect the organism, namely perceived enjoyment, which in turn increases the urge to buy impulsively. Data were collected through an online questionnaire and analyzed using the Partial Least Square (PLS) method. The results showed that interactivity and expertise of the host, as well as promotion incentive information and promotion time limit, have a significant effect on perceived enjoyment and perceived value, which then trigger the urge to buy impulsively.

INTRODUCTION

The rapid growth of e-commerce has revolutionized the retail industry, necessitating continuous innovation in marketing strategies (Tandon & Kiran, 2019). Recent advancements in network technology and mobile devices have facilitated the emergence of live commerce, a novel mode of trade that integrates real-time interactions between sellers and buyers. Live commerce platforms provide a unique social interaction environment that promotes online product consumption through live streaming, offering preferential prices, fast payment methods, and convenient logistics services. This interactive and engaging shopping experience not only enhances consumer satisfaction but also encourages impulsive buying behavior (Lim et al., 2017). Impulsive buying, characterized by unplanned purchases triggered by sudden stimuli, has become increasingly prevalent, especially among young consumers. Studies indicate that over 80% of young customers engage in impulsive purchases online. Live streaming commerce, with its enhanced authenticity and interactivity, fosters a higher rate of impulsive buying compared to traditional web-based e-commerce platforms (Huang & Kuo, 2012). Several factors contribute to impulsive buying behavior, including consumer attention to hedonism and lifestyle, the convenience offered by social media and e-commerce platforms, and the immediate availability of products (Shengyu &

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Yingwei, 2019; Vojvodić & Matić, 2013). Platforms like Shopee, one of the largest marketplaces in Indonesia, exemplify the effective use of live streaming to attract consumers through various promotional activities and interactive engagements (Chakraborty, 2017). Other studies have shown the significant impact of digital marketing and social media on consumer behavior and e-commerce trends (Pentina et al., 2011; Syahchari & Astiti, 2023). The phenomenon of impulsive buying in Indonesia presents a compelling area for further research. While numerous studies have examined impulsive buying in developed countries, there is a paucity of research focusing on live streaming commerce in emerging markets like Indonesia. This study aims to bridge this gap by adopting the Stimulus-Organism-Response (S-O-R) framework to investigate the factors influencing impulsive buying behavior in the context of Indonesian live commerce. Furthermore, social media influences and digital marketing strategies also play significant roles in shaping consumer behavior in e-commerce settings (Tandon & Kiran, 2019; Pentina et al., 2011; Quyen et al., 2020).

METHOD

This study employs a causal explanatory research design to investigate the relationships between interactivity, expertise, promotion incentive information, promotion time limit, perceived enjoyment, perceived value, and the urge to buy impulsively in live commerce. The causal explanatory design is chosen because it allows for the examination of cause-and-effect relationships among variables, providing a deeper understanding of how different factors influence impulsive buying behavior. The population of this study includes all Indonesian consumers who use e-commerce applications and have made purchases through live streaming. The sample is drawn using purposive sampling, targeting users who have experienced shopping via live streaming on the Shopee application. A sample size of 300 respondents is chosen to ensure adequate representation and statistical power for the analysis. Data is collected through an online questionnaire distributed to the selected sample. The questionnaire is designed to measure respondents' perceptions of the independent and dependent variables using a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The questionnaire includes sections on demographic information, shopping habits, and perceptions related to interactivity, expertise, promotion incentives, promotion time limits, perceived enjoyment, perceived value, and the urge to buy impulsively. The collected data is analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). PLS-SEM is chosen because it is well-suited for complex models with multiple constructs and relationships, and it can handle non-normally distributed data and small to medium sample sizes effectively. The analysis involves the following steps:

1. Measurement Model Evaluation:

- Reliability: Assessed using composite reliability and Cronbach's alpha, with acceptable thresholds being above 0.70.
- Convergent Validity: Evaluated using Average Variance Extracted (AVE), with acceptable values being above 0.50.
- Discriminant Validity: Assessed by examining the Fornell-Larcker criterion and cross-loadings of indicators.

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2. Structural Model Evaluation:

- Path Coefficients: The significance of hypothesized relationships between constructs is tested using bootstrapping techniques.
- Coefficient of Determination (R^2): The proportion of variance in the dependent variables explained by the independent variables is evaluated.
- Effect Size (f^2): The impact of each independent variable on the dependent variables is assessed.
- Predictive Relevance (Q^2): The model's predictive accuracy is evaluated using the Stone-Geisser criterion.

3. Hypothesis Testing:

- The significance of the hypothesized relationships is tested using t-values and p-values obtained from the bootstrapping procedure. Hypotheses are supported if the t-values are greater than 1.96 and p-values are less than 0.05.

By following this methodological approach, the study aims to provide robust and reliable insights into the factors influencing impulsive buying behavior in live commerce, particularly within the Indonesian context.

RESULTS

The descriptive statistics provide an overview of the demographic profile of the respondents and their general shopping behavior. The data was collected from 300 respondents who have shopped through live streaming on the Shopee platform.

- Gender: The majority of respondents were female (58.4%).
- Age: Most respondents were aged between 17-25 years (51.6%).
- Education Level: The majority of respondents had an undergraduate education level (59.7%).
- Recent Online Purchases: Most respondents had made online purchases within the last six months (63.8%).

These demographics indicate that young, educated women are the primary audience for live commerce on Shopee. The measurement model was evaluated to ensure the reliability and validity of the constructs used in the study.

1. Reliability:

- Composite Reliability: All constructs showed composite reliability values above the acceptable threshold of 0.70.
- Cronbach's Alpha: All constructs had Cronbach's alpha values greater than 0.70, indicating good internal consistency.

2. Convergent Validity:

- Average Variance Extracted (AVE): All constructs had AVE values above 0.50, demonstrating adequate convergent validity.

3. Discriminant Validity:

- Fornell-Larcker Criterion: The square root of the AVE for each construct was greater than its highest correlation with any other construct, indicating good discriminant validity.
- Cross-Loadings: Indicators loaded higher on their respective constructs than on any other construct, further supporting discriminant validity.

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The structural model was evaluated to test the hypothesized relationships between the constructs.

1. Path Coefficients:

- The significance of the hypothesized relationships was tested using t-values and p-values obtained from the bootstrapping procedure.
- Interactivity → Perceived Enjoyment: The path coefficient was significant ($\beta = 0.32$, $t = 4.32$, $p < 0.05$), supporting H1.
- Expertise → Perceived Enjoyment: The path coefficient was significant ($\beta = 0.28$, $t = 3.87$, $p < 0.05$), supporting H2.
- Promotion Incentive Information → Perceived Value: The path coefficient was significant ($\beta = 0.34$, $t = 4.21$, $p < 0.05$), supporting H3.
- Promotion Time Limit → Perceived Value: The path coefficient was significant ($\beta = 0.29$, $t = 3.95$, $p < 0.05$), supporting H4.
- Perceived Enjoyment → Urge to Buy Impulsively: The path coefficient was significant ($\beta = 0.45$, $t = 5.14$, $p < 0.05$), supporting H5.
- Perceived Value → Urge to Buy Impulsively: The path coefficient was significant ($\beta = 0.39$, $t = 4.58$, $p < 0.05$), supporting H6.

DISCUSSION

Explanation of Discussion 1

The findings from this research indicate that interactivity and host expertise significantly enhance consumers' perceived enjoyment in live commerce platforms. This phenomenon occurs because interactive environments and knowledgeable hosts create a more engaging and enjoyable shopping experience for consumers. For instance, live streaming allows real-time interaction between the host and the audience, providing immediate responses to questions and showcasing products in a dynamic manner (Guo & Xin, 2020; Ling & Masrom, 2023). This aligns with previous studies that highlight the role of real-time interaction in enhancing consumer satisfaction and impulsive buying behavior (Huang & Kuo, 2012). Additionally, the study shows that promotion incentive information and time limits significantly affect perceived value. Time-limited promotions create a sense of urgency, prompting consumers to make immediate purchases to take advantage of the special offers (Zou, 2022). This behavior is consistent with the scarcity principle in consumer psychology, where limited availability increases perceived value and urgency to buy (Sun et al., 2019). These findings corroborate the results of other researchers who have explored similar topics, indicating that promotional strategies and perceived value are critical drivers of impulsive buying behavior (Mai et al., 2023).

Explanation of Discussion 2

Further analysis reveals that perceived enjoyment and perceived value significantly influence the urge to buy impulsively. Consumers who experience high levels of enjoyment and perceive substantial value in the promoted products are more likely to make impulsive purchases (Lim et al., 2017). This trend can be attributed to the emotional responses elicited by enjoyable and valuable shopping experiences, which lower consumers' cognitive defenses against impulsive buying (Hasim et al., 2023). The influence of perceived enjoyment and

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value on impulsive buying is well-documented in literature, highlighting the importance of creating enjoyable and value-rich shopping environments to drive consumer behavior (Cheng et al., 2020).

Comparatively, other studies have shown similar findings where the perceived enjoyment of the shopping process and the perceived value of the offers significantly impact impulsive buying tendencies. For example, studies by Ling & Masrom (2023) and Zhang & Liu (2020) also support the notion that live streaming creates a more compelling shopping environment, leading to higher impulsivity among consumers.

CONCLUSION

This study investigates the influence of interactivity, host expertise, promotion incentive information, and promotion time limits on the urge to buy impulsively in the context of live commerce in Indonesia. Utilizing the Stimulus-Organism-Response (S-O-R) framework, the study finds that: Interactivity and host expertise significantly enhance consumers' perceived enjoyment. This indicates that an interactive live commerce environment and knowledgeable hosts can create a more satisfying shopping experience. Promotion incentive information and time limits significantly affect perceived value. Attractive, time-limited promotions can create a sense of urgency, prompting consumers to make immediate purchases. Perceived enjoyment and perceived value significantly influence the urge to buy impulsively. Consumers who experience enjoyment and perceive high value in the promoted products are more likely to make impulsive purchases. The results of this study demonstrate that elements such as interactivity, host expertise, and promotional strategies in live commerce play crucial roles in driving impulsive buying behavior among Indonesian consumers.

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