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The Impact of customer engagement in the promotion of live streaming of marketplace products upon purchase intentions and Customer Acquisition In Kupang City

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ABSTRACT

Social media platforms enable brands and companies to interact with consumers on the channels of their choosing, whenever and whenever they choose. *Live streaming* is one of the media aspects that the organization has developed to improve customer engagement. Our research of 96 users of the *live streaming* function revealed a positive and statistically significant affect on the Purchase Intention and Customer Acquisition variables. Our hypotheses and theoretical framework are supported by the findings of this research. Customer engagement in *live streaming* sessions can influence a consumer's intent to make a purchase because sellers push products based on customer requests. In other words, customers who actively participate in or contribute to *live streaming* promotion sessions are more satisfied and eventually have an effect on purchase intent. Customer engagement activities are strategies for acquiring new customers or creating customer acquisitions.

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INTRODUCTION

In this age of digitalization, clients actively engage in online connection with the company to share their experiences (Sheng, 2019). Social media platforms enable brands and businesses to interact with consumers on the channels of their choosing, whenever and whenever they prefer (Stone & Woodcock, 2013). Live streaming is one of the media features introduced by the organization to improve consumer involvement. More and more *Sellers* are using the live streaming function to market their products because it is a very interactive and educational communication tool (Zheng et al., 2022). According to a Bank Indonesia report, in the midst of the digital-based trading pandemic, it is anticipated to increase by 33.2% from 2020 to 2021, from a value of IDR 253 trillion to IDR 337 trillion. The proliferation of direct *Streaming* sales, also known as *Livestream Shopping* or *Live Commerce*, supports the expansion of the e-commerce company, among other factors. Live streaming selling is a marketing strategy in which firms host virtual shopping events in *Real Time* (real time) in order to exhibit and sell their products https://www.kompas.id/.

Research undertaken (Kaveh et al., 2021) indicates that sales promotions increase purchase intentions by boosting perceived value and customer satisfaction. When an *E-Commerce* seller uses items in a live streaming session, the value of the goods will be clearly demonstrated to buyers, and the seller will connect with customers. There is interaction not only between streamers and subscribers, but also among subscribers. Multiple studies have demonstrated that customers have a significant impact on the purchasing decisions of others (Gopalakrishna et al., 2019). In addition to *live streaming*, several businesses offer *website* where users may share their experiences with consuming their products. The expanded breadth of customer participation can amplify the voice of the crowd on the Internet, hence enhancing social influence (King, Rachel, and Bush 2014). According to research (Zheng et al., 2022), companies with high levels of Customer engagement increased their revenue by an average of 18% over a period of 12 years, whereas companies with low levels of consumer engagement saw their revenue fall by an average of 6% over the same period. On the one hand, consumer participation in sales can potentially attract new clients. Multiple academics have undertaken empirical studies on the impact of customer participation on purchase intent and client acquisition. According to research (Gopalakrishna et al., 2019), satisfying and memorable interactions with a company's products and services typically result in client retention and repeat purchases. Additionally, (Zheng et al., 2022) his research indicates that involvement in the context of *live streaming* can attract additional subscribers. The results (Hart et al., 2016) indicate that constructive customer engagement increases customer acquisition.

Consumer involvement in online product sales is expected to minimize the occurrence of fraudulent product sales that are not in accordance with promotions, so as to attract the trust of market place customers, it provides a live streaming feature and invites consumers in live streaming sessions to engage in product promotions in order to increase buying interest. In general, products sold on the marketplace have a good security system, but there are still loopholes to commit fraud, one of which is by selling online products that are not in accordance with the advertisements provided. This problem often makes consumers feel deceived by sellers, this can be seen in the comments column that shows product reviews by consumers, some consumers feel disappointed in products that are very different from those promoted.

According to the supplied background information and research results, Consequently, our research calls attention to How Customer Engagement in *E-Comerce* Product *Live Streaming* Affects Kupang City's Purchase Intentions and Customer Acquisition

RESEARCH METHOD

Based on the scientific results approach, this form of research is a quantitative study known as *Hypotheses Testing Research*. The procedure of this research consists of developing and testing hypotheses empirically. The subject of this research is the Kupang City consumer who uses the *E-Comerce* program for shopping. In this research, the population is the entire city of Kupang that uses the *E-Comerce* program. However, the researchers did not take the complete population, but rather only a few samples that met the criteria. The method of sampling employed is *convenience sampling*. *Convenience sampling* is a sample of persons that are eager and easy to interview for the researcher. *Online,* 96 surveys were issued to respondents who were at least 20 years old and had a minimum of a high school education. The data analysis technique for inferential statistics employed in this work is SEM (*Structural Equation Model*) causality analysis, whereas the statistical test tool utilized is the variance-based structural equation test or better known as *Partial Least Square* (PLS) utilizing Smart PLS 3.0 software.

RESULTS AND DISCUSSIONS

Respondent's Description

Table 1. Respondent's Description

Variable	Frequency	Percentage
Gender		
Woman	55	57,3 %
Man	41	42,7 %
Age		
20 – 30	68	70.8%
31 – 40	22	22.9%
41 – 50	4,2	4,2%
51 – 60	2	2,1%
Final Education		
Senior High School	32	33,3%
D3	9,4	9,4%
S1	40	41,7%
S2/S3	15	15,6%
Work		
Civil servants	22	22,9%
Private Employees	43	44,8%
Self employed	17	17,7%
Not Working	14	14,6%
Income		
< IDR 1,000,000	26	27,1%
IDR 1,000,000 - IDR 3,000,000	12	12,5%
IDR 3,000,000 - IDR 5,000,000	48	50%
> IDR 5,000,000	10	10,4%

According to the description of the respondents, the majority of consumers are women between the ages of 20 - 30. This age is considered the working age, which permits an increase in product consumption. The respondents' average education level is stratum 1, and they work as private employees and earn an average income of Rp. 3,000,000 - Rp. 5,000,000

Inferential Statistical Analysis

Measurement Model Fit Test (*Outer Model*)

There are two levels of testing validity: convergent validity and discriminant validity.

Convergent Validity

In conducting the *Convergent Validity* test, *Outer Loading* and AVE can be used to evaluate the validity (AVERAGE VARIANCE EXTRACTED). In research, the 0.7 *Loading Factor* threshold is typically applied when the AVE value is more than 0.5. The outcomes of *Outer Loading* and AVE (*Extracted Average Variance*) are displayed in tables 2 and 3.

Table 2. Outer Loadings

Customer Acquisition	*Purchase Intention*	*Customer Engagement*

Y2.3	0.868			
Y2.2	0.890			
Y2.1	0.854			
Y1.5		0.865		
Y1.4		0.896		
Y1.3		0.912		
Y1.2		0.926		
Y1.1		0.867		
X1.4				0.704
X1.3				0.795
X1.2				0.854
X1.1				0.835

Table 3. AVE (*Average Variance Extracted*)

	Average Variance Extracted (AVE)	Model Evaluation
Customer Acquisition	0.841	Valid
Purchase Intention	0.937	Valid
Customer Engagement	0.811	Valid

Based on Table 3, all variable indicators are deemed genuine due to the AVE (*Average Variance Extracted*) value ≥ 5, indicating that all variables are usable.

In reliability testing, an instrument is deemed reliable if repeated measurements of the same object result in identical data. To be deemed dependable, a *cronbach's alpha* value ≥ 0.70 is required (Bagozzi & Yi, 1988)(Gefen et al., 2000). The results of the reliability test are displayed in Table 4.3.

Table 4. Construct reliability

	Cronbach's Alpha	Model Evaluation
Customer Acquisition	0.896	Valid
Purchase Intention	0.833	Valid
Customer Engagement	0.757	Valid

Table 4's test results indicate that all variables are valid because the value is 0.70, therefore it can be inferred that all constructions have adequate *Cronbach's alpha* values because they fulfil the criteria.

Discriminant validity

The square root of the AVE for each construct used to test discriminant validity must be greater than the correlation with all constructs (Boudreau et al., 2001). (Fornell & Larcker, 1981). There must be a stronger link between indicators and their latent variables than between indicators and other latent variables.

Table 5. Discriminant validity

	X.1	X.2	X.3
Customer Acquisition	0.871		
Purchase Intention	0.737	0.893	
Customer Engagement	0.643	0.610	0.799

In table 5, if the indicator's correlation with its latent variable is greater than its correlation with other latent variables, it is claimed that the latent variable has a high discriminant validity. High

validity, signifying that a construct is distinct and capable of explaining the phenomenon being measured.

Structural Model Fit Test (*Inner Model*)

Structural model fit test (*Fit Test Of Structural Model*) is a test of the inner model that examines the hypothesized link between variables. The correlation coefficient indicates the relationship (correlation) between two variables, where the value of the correlation coefficient indicates the direction and strength of the relationship between two variables; the correlation coefficient consists of the relationship coefficient between variables. The coefficient of the link between these variables is statistically significant, with a T-STATISTIC ≥ 1.984%. The actual level or significance level (α) in this research is 0.05, however the value in the table of normal distribution is 1.984. If the T-STATISTIC ≥ 1.984, then there is a relationship or influence between variables, and the resulting model is improving. Alternatively, if the *T-Statistics* score is 1.984, there is no correlation or impact between variables. In this research, the *F-square* value indicates the extent of the influence of endogenous variables on exogenous variables. The assessment criteria for *the variable F- squere* are :0.02 ≤ f ≤ 0.15 = small effect, 0.15 ≤ f≤ 0.35 = medium effect, f ≥0 .35 = large effect. Tables 6 and 7 show the outcomes of the path coefficient test and *F-Squere*.

Table 6. Path Coefficient

	Original Sample (O)	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistik (| O/STDEV |)*	*P Values*
X.1 -> Y.1	0.643	0.652	0.091	7.032	0.000
X.1 -> Y.2	0.610	0.620	0.070	8.674	0.000

The value of the coefficient of determination

Table 7. F-Square

	F- Square	Information
Customer Engagement – Purchase Intention	0.592	Efek besar
Customer Engagement – Customer Acquisition	0.704	Efek besar

Customer Engagement

According to the path coefficient test results, the purchase intention variable (Y1) and the customer acquisition variable (X) have P values of 0.000 or < 0.005, respectively, for the Customer engagement variable (X) and customer acquisition variable (X), respectively (Y2). The Purchase Intention variable (Y1) has a *T-Statistic* value ≥ 1.984 or 7.032, and the Customer Acquisition variable has a value of 8674 (Y2). These results suggest that consumer engagement with its indications has a positive and statistically significant impact on the Purchase Intention variable (Y1) and the Customer Acquisition variable (Y2) (Y2)..

Based on the findings of the F-square test, the customer engagement variable (X) has a significant impact on the Purchase Intention (Y1) and Customer Acquisition (Y2) variables, with a value of 0.592 for Purchase Intention (Y1) and 0.704 for Customer Acquisition (Y2).

These findings align with our hypothesis and conceptual framework. Participation in live streaming sessions might influence a consumer's intent to purchase because sellers push products based on customer demands. In other words, customers who actively participate in or contribute to live streaming promotion sessions are more fulfilled and, eventually, have an effect on purchase intent. Participants engage in promotional activities using live streaming because they are engaged in the promotion and have a favorable opinion of the product. This view influences the subsequent behavior, i.e., whether they will purchase or urge others to purchase; acquiring customers.

Customer engagement can be viewed as a sequence of behaviors consumers take in reaction to brand-related content on social media, such as reacting to content, commenting on content, sharing content with others, and submitting user-generated content. According to research (Kaveh et al., 2021), the presence of a sales promotion influences purchase intent by enhancing perceived value and customer satisfaction. Specifically, it indicates that the indirect effect is transmitted through an increase in perceived value and a rise in customer satisfaction. The research (Srinath Gopalakrishna 2017) demonstrates that participants' real engagement with performances confirms their beliefs. This perception determines the participant's decision to return to the show in the future, suggest it to others, and make a purchase. Research conducted (Harmeling et al., 2017) demonstrates that experiential engagement efforts increase customer participation. Successful customer engagement depends on a company's ability to identify and utilize customer resources; therefore, businesses must invest heavily in the development and implementation of new tools that enable customers to contribute resources to the organization, so that customers will purchase products.

Purchase Intention

On the basis of the results of the output of the Customer engagement variable (X) on the Purchase Intention variable (Y1), the path coefficient value indicates that the Customer Engagement variable (X) has a *P Value* < 0.005 and a *T-Statistic* ≥ 1.98. These findings demonstrate that customer interaction with indications - the indicator – has a positive and statistically significant effect on the purchase intention variable.

With a value of 0.59, the F-square test of the Customer engagement variable (X) has a significant impact on the Purchase Intention variable (Y1). (Stone and Woodcock, 2013) Currently, retailers utilize innovative and informative communication methods to market their products; one of these communication medium is the *Live Streaming* service. Customers' willingness to participate in the campaign can be viewed as an indication of their intention to purchase the product. Our research highlights the significance of customer engagement in the sales process. Research conducted by Zheng et. al 2022 explains that the interaction process, customers during live streaming promotions, will create close relationships with the brand-related community, and that these relationships will encourage customers to acquire brand-related products or services. Research conducted by (Kaveh et al., 2021) demonstrates how sales promotion participation influences purchase intentions by improving perceived value and customer happiness. Customer engagement via social media can be used throughout the customer lifecycle to increase brand awareness and purchase intent, Assist them in purchasing with ease and facilitate the resolution of service issues and discontent (Stone & Woodcock, 2013).

Customer Acquisition

The findings of the variable test for customer acquisition indicate *P Value* < 0.005 and T-*Statistics* ≥ 1.984. On the basis of these data, it can be stated that Customer engagement with its indications has a positive and statistically significant effect on the variable Customer Acquisition.

The findings of the F-square test of the customer engagement variable (X) have a significant impact on the Customer Acquisition variable (Y2), with a value of 0.704. These data confirm our premise that customer participation in promotions can attract new customers or result in client acquisition. A customer engagement strategy is an action that encourages customer participation in the marketing process. This action is a method for acquiring new customers or creating customer acquisitions.. This is consistent with the findings of the majority of studies, most notably Arnold et al. (2011), which suggest that customer engagement is the manner in which employees organize customer activities to facilitate the acquisition of new, high-value customers (acquisition orientation). Contrary to the findings of Run Zheng, 2022, pleasant interactions with *Live Streaming* viewers, such as active entertainment and games, do in fact keep customers engaged and lead to the perception of hedonic values by consumers (Högberg et al., 2019), but acquiring clients is not viable

for e-tailers. The acquisition of new consumers is aided by management strategies such as planning, budgeting, and technology implementation, such as *Live Streaming* (Ang & Buttle, 2006) the customer engagement orientation structure illustrates how staff are arranged to facilitate the acquisition of new, high-value customers (acquisition orientation) (Arnold et al., 2011)

Tabel 9. *R- Square*

	R Square	Adjusted R Square
Customer Acquisition	0.413	0.407
Purchase Intention	0.372	0.365

Based on the value of the *Adjusted R Square* in the table, it is known that the coefficient of determination for the Customer Acquisition variable is 0.407, or 40.7%, and that for the purchase intention *Variable* it is 0.365, or 36.5%.

CONCLUSION

The statistical examination of the customer engagement variable reveals a positive and statistically significant relationship between that variable and the variables of Purchase Intention and Customer Acquisition. Our hypotheses and theoretical framework are supported by the findings of this research. Participation in *Live Streaming* sessions can influence a consumer's intent to make a purchase, as merchandise is promoted based on client demands. In other words, clients who actively participate in or contribute to a *Live Streaming* advertising session are more happy and eventually influence buy intent. Participants who engage in promotional live streaming activities because they are engaged in the promotion and have a favorable opinion of the product. Customer engagement strategy is an action that invites customers to participate in the marketing process; it is a tool for acquiring new consumers or retaining existing ones.

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This research concentrates on the variables of Customer engagement, purchasing intent, and customer acquisition. For future research, it is recommended that variables for live streaming e-commerce and marketing partnerships be developed. In addition, it is suggested that e-commerce businesses make live streaming sessions more engaging by offering promotional discounts or presents to clients who wish to share *Live Streaming* promotional content on other social media accounts, to attract more new clients or keep existing ones

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