

CHAPTER I

INTRODUCTION

1.1. Background of the study

The globe was attacked by a virus known as the 2019 new coronavirus, sometimes known as a serious breathing illness, in December 2019. This health disaster started in early January 2020. According to reports from 2019, the virus was found in bats and transmitted to people in Wuhan, Hubei Province, China, via an unidentified intermediary species. The illness has an incubation period of two to fourteen days and can be transmitted by inhalation or even contaminated drops. Fever, cough, sore throat, weariness, and malaise are the typical symptoms. Most people, however, only experience mild episodes of typical symptoms. On March 2, 2020, two individuals were verified to have caught COVID-19 from a Japanese citizen, which led to the discovery of the COVID-19 case in Indonesia. Afterward, on April 9, the corona virus had spread to 34 provinces in Indonesia, with DKI Jakarta, West Java, and Central Java being the regions most affected. A total of 6,741,354 confirmed cases of COVID-19, 6,576,542 recovered cases, 160,971 deaths, and 3,841 patients known to be actively exposed to COVID-19 have been reported as of today (19/03/2023).

INDONESIA

(Sumber : PHEOC Kemkes RI)



Figure 1.1 Data Covid-19

Source : Google Image

According to Bartik et al., 2020; Donthu and Gustafsson, 2020; and Sohrabi et al., 2020, the most companies have been seriously affected by COVID-19. As a result, they have been forced to put in place various measures to stop the expansion of the corona virus, but inadvertently, these actions have harmed the productivity and effectiveness of their organizations. However, in order to stop the disease from spreading further, people must separate themselves and even practice social isolation, both of which significantly limit sales for the organization. A large number of businesses are significantly impacted by COVID-19, according to Bartik et al., 2020; Donthu and Gustafsson, 2020; and Sohrabi et al., 2020. As a result, they are compelled to take a variety of steps to halt the coronavirus's spread, but accidentally, these initiatives have hurt their organization's productivity and effectiveness. However, in order to prevent the sickness from spreading, individuals must practice social isolation and self-segregation, both of which have a considerable negative impact on the organization's sales. People all throughout the world are now facing difficulties because to the COVID-19 epidemic. Everyone is being forced to stay at home and follow health precautions because of the epidemic. Human existence has undoubtedly changed as a result of this epidemic.

It seemed impossible that tasks that were once completed in person would now need to be completed online. As a result, more people are using communication

technologies, particularly social media. TikTok is one of the most used social media platforms. ByteDance, a Chinese firm, launched TikTok in September 2016 as a platform for users to produce original videos. In 2018, TikTok gained popularity in Indonesia and was named the top app in the Google Play Store and App Store. Reached 109.9 million active users, Indonesia has the second largest number of TikTok users worldwide. Users share films more frequently when they are more creative and interesting. Now TikTok videos are believed to be able to communicate information in a short and interesting, businesses utilize them as advertising, which has now evolved into a marketing tool.

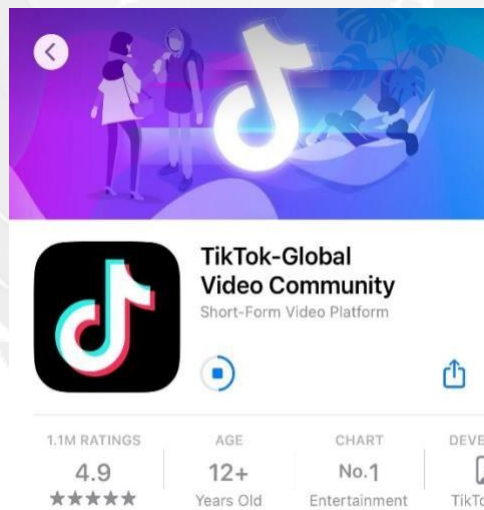


Figure 1.2 TikTok in Appstore
Source : Google

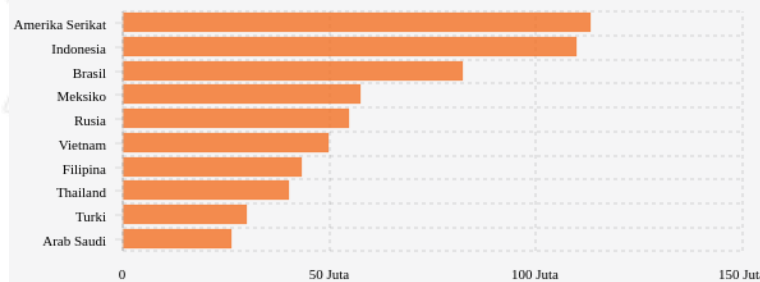


Figure 1.3 Most Number of TikTok Users in the World (January 2023)
Source : Google

There are also many factors that could explain the explosive growth in TikTok users. Among these factors are: 1) Tik-Tok promises security, data privacy is a big

problem for a growing social media platform. Unlike Facebook, which has been repeatedly criticized by users because of privacy leaks which become important data for users. TikTok is classified as successful in ensuring user safety; 2) Generating popularity, TikTok creates a place for expression for its users that can reach people from all over the world so that TikTok became the first influencers to emerge. Apart from that, there is also a community on TikTok that can increase account ratings, these communities work together to support one another; 3) It is also used by entrepreneurs to promote a product by providing shopping promotions through live streaming in the TikTok feature itself; and 4) Providing comedy elements in the content. This is also caused by the behavior of the TikTok users themselves, unlike other social media platforms, the behavior of TikTok users is actually motivated by the desire to seek entertainment or just information needed (Aurelia et al., 2021; Fahira et al., 2021).

According to research by Wang, Li, and Xu (2018), live streaming online shopping is a form of electronic commerce that allows sellers to showcase their products directly in front of the camera and provide a direct shopping experience to buyers via live streaming. The research highlights the advantages and challenges of live streaming online shopping, including the ability to build connections between sellers and consumers, enhance the shopping experience, and increase consumer trust, while the main challenges are maintaining product authenticity and quality, and ensuring the security of online transactions. This has been done by TikTok because currently many local brands have started marketing their products at the TikTok Shop through live streaming available on the TikTok application. Examples of live streaming on TikTok are as follows :



Figure 1.4 Live Streaming on TikTok Shop
 Source : TikTok Application

According to research conducted by Kim, Song, and Kim (2018), celebrity endorsements in online shopping can influence consumer perceptions and influence their buying behavior. This can be proven by TikTok through Tasya Farasya's skincare endorsement video so that the brand appears the name Tasya Farasya in the product name.

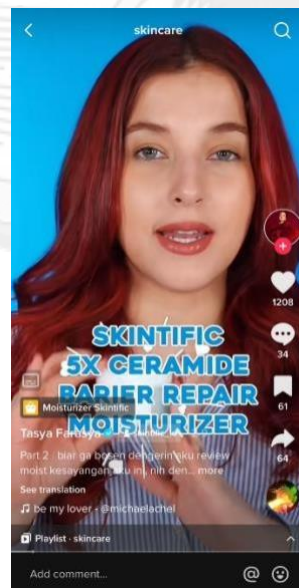


Figure 1.5 Celebrity Endorsement on TikTok Shop
 Source : TikTok Application



Figure 1.6 Effect of Celebrity Endorsement on TikTok Shop

Source : TikTok Application

Research conducted by Zhang, Huang, and Li (2020) explains that these promotional tools include loyalty programs, coupons, discounts, gifts, and so on. According to this study, the use of promotional tools in online shopping can increase customer satisfaction, motivate them to make purchases, and increase brand loyalty. This has also been launched by TikTok by providing various kinds of vouchers or even discounts at certain stores.

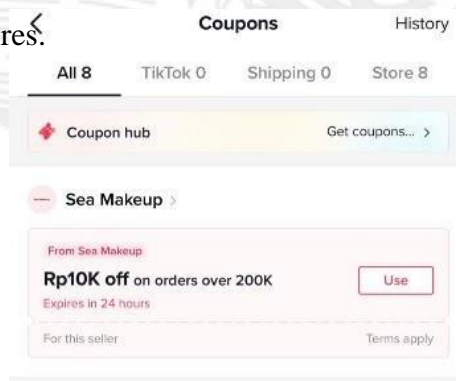


Figure 1.7 Promotion Tools on TikTok Shop

Source : TikTok Application

Research conducted by Wang, Zhang, and Xie (2021) which explains that online reviews are very important in shaping consumer perceptions of products or brands, influencing purchasing decisions, and increasing consumer trust in sellers or brands. Therefore, this study highlights the importance of monitoring and managing online reviews properly as a marketing strategy in online shopping. This also already exists on TikTok by providing a comment column section to leave rates for products purchased.

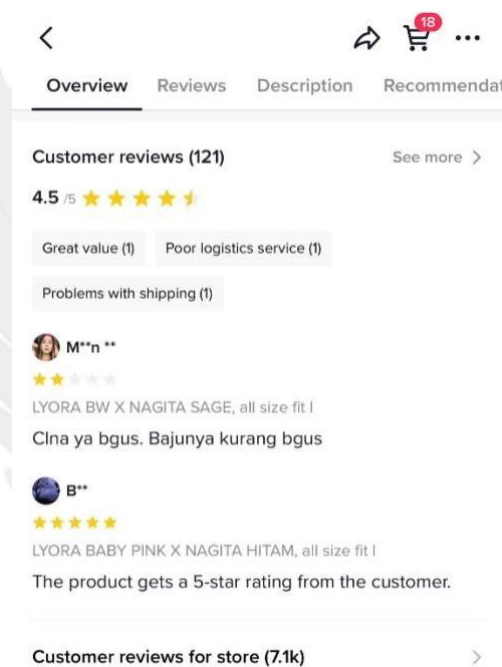


Figure 1.8 Online Reviews o TikTok Shop

Source : TikTok Application

Research conducted by Javed, Liu, and Iqbal (2021) explains that security is an important factor for consumers in online shopping, due to concerns about potential fraud, identity theft and misuse of personal data. Therefore, this study emphasizes the importance of increasing security on e-commerce and online shopping platforms, such as by implementing data encryption and security systems, as well as providing security guarantees and protection for consumers.

This has existed on TikTok since the beginning by providing a "contact TikTok" feature to report the chronology if a package doesn't arrive or wants to complain about something, if the report has been received then we will get a refund in its entirety.

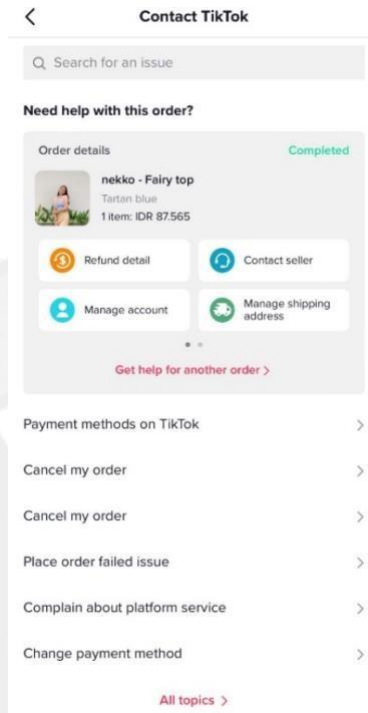


Figure 1.9 Security on TikTok Shop

Source : TikTok Application

Alalwan et al. in 2019 which explained that Ease of Use includes clarity of product information, an intuitive and easy-to-understand display, easy site navigation, as well as speed and convenience in making payments. In this study, the Ease of Use factor also has a positive effect on consumer purchase intentions on e-commerce platforms. This is on TikTok because the appearance of the features on TikTok are very easy for all ages to understand, the payment process when making a purchase is also very easy because steps are provided to make the payment.

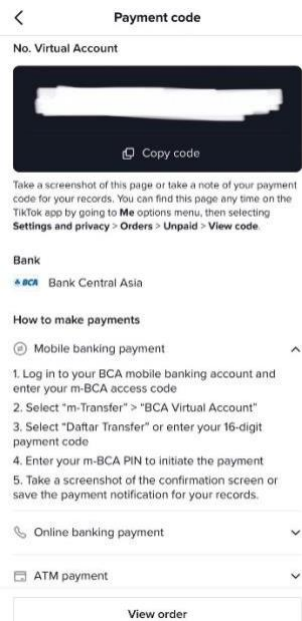


Figure 1.10 Ease of Use on TikTok Shop

Source : TikTok Application

Research conducted by Alalwan et al. in 2019 also explained that Convenience includes flexibility in the time of purchase, availability of the desired product, ease of delivery and return of goods, as well as security and privacy of consumer data. In this study, the convenience factor also has a positive effect on consumer purchase intentions on e-commerce platforms. This is in TikTok because TikTok always provides customer service if we experience a problem.

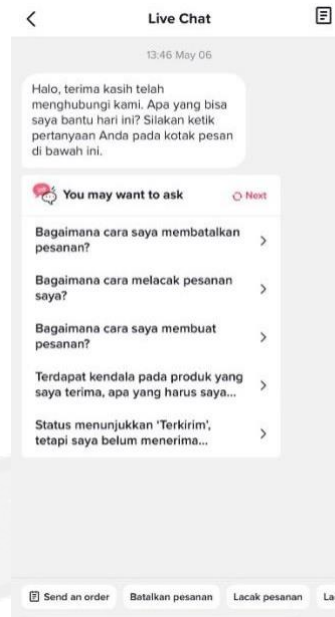


Figure 1.11 Convenience on TikTok Shop

Source : TikTok Application

Alalwan et al. in 2019, comfort in online shopping refers to the quality of website appearance and design, ease of navigation and product search, as well as the quality of available product information. This already exists on TikTok because TikTok is used by young to old people.

According to Erwin et al. (2023), TikTok Shop was still interesting because it combines entertainment elements, creative content and e-commerce transactions on one platform. TikTok has created an ecosystem that allows users to discover products and brands through engaging content, often created by other users or influencers. Through the popular short video format on TikTok, sellers can introduce their products in an engaging and entertaining way, bridging the pleasure of watching content with impulse buying. Additionally, the seamless integration between content and online stores on TikTok facilitates a more direct shopping experience and can more strongly influence users' purchasing decisions.

Furthermore, TikTok also have the capabilities to create new business opportunities for various parties, including sellers, influencers and the platform itself. The

sellers can leverage the large and diversified audience on TikTok to promote their products effectively. Influencers can collaborate with brands to expand reach and increase credibility. Meanwhile, TikTok as a platform can earn additional income through sales commissions or advertising fees. With its continuous development and high monetization potential, TikTok Shop is an interesting area for in-depth study of changing business dynamics and consumer interactions in the digital era.

Besides, Sunuantari et al. (2023) revealed that TikTok Shop has gained significant popularity following the COVID-19 pandemic due to changes in consumer behavior towards digital platforms. Lockdowns and social restrictions during the pandemic mean people spend more time at home, which then encourages increased use of digital applications and platforms. TikTok, with its entertaining and short content format, has become a popular choice for many people looking for entertainment and social interaction amidst difficult situations. TikTok users are starting to rely on the platform not only for entertainment, but also to get the latest information on trends, brands, and products. TikTok Shop capitalizes on this momentum by providing a platform that allows users to explore, review and shop products directly from the content they enjoy, integrating entertainment with the online shopping experience. This is driving the growth of TikTok Shop as a popular shopping destination in the wake of COVID-19, combining the appeal of viral content and digital lifestyle with consumers' need for easy and engaging shopping solutions.

Lastly, Sa'adah et al. (2023) also stated that TikTok Shop was also a unique marketplace in innovation compared to other marketplaces because it provides an integrated shopping experience with creative content, allowing consumers to see products through interesting short videos. Additionally, TikTok's large and diverse user base provides access to a wide audience, increasing potential reach and sales. Efficient

integration between the TikTok platform and TikTok Shop simplifies the purchasing process, and collaboration with influencers provides a strong marketing strategy to support product promotions, optimizing sales potential.

1.2. Problem Limitation

1. The dependent variable used in this study is Online Shopping Behavior, while the independent variable of this study consists of Live Streaming, Celebrity Endorsement, Promotional Tools, Online Reviews, Security, Ease of Use, and Convenience.
2. This research will use the Likert Scale (5 ratings).
3. Respondents in this paper must be at least 18 years old, have TikTok account on their smartphone, and have at least one purchase transaction on Tiktok.

1.3. Problem Formulation

1. Does live streaming have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?
2. Does celebrity endorsement have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?
3. Do promotional tools have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?
4. Do online reviews have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?
5. Does security have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?

6. Does ease of use have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?
7. Does convenience have significant effect on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta?

1.4. Objective of the Research

The objectives of this research are:

1. To identify the significant influence of live streaming on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta.
2. To identify the significant influence of celebrity endorsement on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta.
3. To identify the significant influence of promotion tools on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta
4. To identify the significant influence of online reviews on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta
5. To identify the significant influence of security on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta.
6. To identify the significant influence of ease of use on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta
7. To identify the significant influence of convenience on online clothing shopping behavior of TikTok users after the Covid-19 pandemic in Jakarta

1.5. Benefit of the Research

1.5.1. Theoretical Benefit

From a theoretical perspective, this research is expected to provide additional knowledge, especially regarding consumer behavior in online shopping in Indonesia.

1.5.2. Practical Benefit

1. For the consumer, this research is expected to be able to understand the decision to be taken in buying something that is desired.
2. For the author, this research can add insight and in-depth knowledge about the influence of social media on online shopping behavior after the Covid-19 pandemic that occurred in Indonesia.
3. For the other researchers, this research can be used as a reference for further research.

