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### The Young Consumers' Online Shopping Decision through Livestream on Facebook

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#### Abstract

Along with digital technology that is constantly developing in today's society, online shopping is increasingly popular and promises to be a vibrant market and bring high revenue to retail businesses. With the desire to deeply analyze the factors that influence young people's online purchasing decisions via livestream on Facebook, the authors used qualitative and quantitative research methods, referencing and adjusting the theories. Related theories to devise a suitable research model to evaluate the influence of factors on young people's online purchasing decisions via

livestream. The expected sample size is 250 online shoppers via livestream between the ages of 18 and 25 years old. The results of the study show that there are 5 important factors affecting young people's online purchasing decisions via livestream on Facebook, including: (1) Faith, (2) Price, (3) Visual leads, (4) Promotion, (5) Electronic word of mouth. From there, the authors provide management implications for businesses to refer to in order to come up with appropriate strategies to increase the number of customers shopping through the livestream sales channel on Facebook.

**Keywords:** Online Shopping, Livestream, Young Consumer, Facebook

#### 1. Introduction

With the advancement of technology, many social networks have been born, the most typical of which is Facebook. The huge impact from the development of social network Facebook not only affects the operations of businesses but also changes the way consumers behave. Realizing that Facebook is a potential shopping business environment, many businesses have promoted their products on Facebook. Southeast Asia is in the Top 10 countries with the most Facebook users. Among them, Vietnam ranked 7th with 64 million users, accounting for 3% of the total number of global Facebook accounts. There are four main trends of Vietnamese consumers: Shopping more, shopping for themselves, always moving and high need for connection (Pham & al., 2017) <sup>[16]</sup>. In particular, the purchasing behavior on online sales sites of young Vietnamese consumers is increasing sharply. Besides, according to Dang Thi Thanh Minh (2021) <sup>[3]</sup> also points out the influence of content form (images and videos) on customers' purchasing decisions. The form of livestreaming sales on Facebook appeared in Vietnam since the end of 2018, but it was not until the end of 2019 that it entered its peak period. This form of sales gradually becomes a priority choice for retailers in addition to traditional sales channels. According to a 2018 report by market research company Asia Plus, the most popular products sold online are fashion items (39%) (including clothes, accessories, handbags, etc.), cosmetics (28%) and food and drinks (25%) (Nguyen and Tran, 2020) <sup>[8]</sup>. Facebook is a social network that is constantly innovating. The trend of shopping on the Facebook social network is increasing, bringing a lot of profits as well as cost savings for organizations, businesses, and individuals. The current online sales trend is online sales transmission (livestream) to reach potential customers and have opportunities to develop into foreign markets. Therefore, the authors researched to find the factors that affect young consumers' online purchasing decisions and from there came up with suggestions to help develop an effective online shopping channel on Facebook that meets the needs of young consumers. customer needs and exploit maximum advantages of Facebook for your business activities.

## 2. Theoretical basis and research model

### 2.1 Theoretical basis

#### 2.1.1 What is Livestream on Facebook?

Livestream or live streaming is the process of broadcasting live video in real time to an audience on the internet.

Facebook Livestream is a tool that allows sellers to introduce and sell products to customers in real time. Buyers and sellers can interact with each other through comments and close orders directly during the livestream sales process. Previously, to receive advice and finalize orders when purchasing online, customers had to send messages directly to the Shop's fanpage/messenger. This leads to an overload of messages, causing customers to have to "wait a long time" to get their questions answered. Therefore, the birth of Facebook Live turns Facebook into a source of real-time information, opening up a "new era" for selling via social networks. Sellers began experimenting with selling their first products live. Starting from simple and rudimentary sales sessions, sellers increasingly improve the quality of images and content in live sessions, making livestream sales a familiar concept today.

#### 2.1.2 Purchasing decision

Service use intention and online purchase intention are important steps before customers make a purchasing decision. Service use intention is a measure of a person's intensity of using a product (Facebook). Online purchase intention is when a customer is willing and intends to make a transaction on the Internet. That helps determine the extent to which customers intend to make purchases over the Internet. However, it can be influenced by many different factors (Meskaran *et al.*, 2013) [9]. Consumers' purchasing decisions for a product or service are fundamentally closely related to consumer behavior. Consumer behavior is an important factor in product marketing that companies need to know. The tendency for location, price, and service quality to influence consumer purchasing decisions implies that company management needs to consider aspects of consumer behavior, especially the purchasing decision-making process. (Ridwan, 2022) [13].

## 2.2 Hypothesis and research model

### 2.2.1 Faith affects young people's purchasing decisions through livestream on Facebook

In the context of online shopping, the concept of faith is understood as a consumer's willingness to accept risk (vulnerability) from online transactions (McKingiht, Choudhury, and Kacmar, 2002). Consumer trust is a key factor in the online commerce context because of the lack of direct contact between customers and sellers as well as between customers and products (Brynjolfsson & Smith, 2000). Products sold on Facebook are mainly through images, these images have been edited to increase aesthetics to easily attract consumers, so it is difficult for consumers to evaluate the quality and determine the origin of the product. If there is no trust in the product, consumers will not make a decision to buy the product. Besides, through social network features, sellers can reveal their faces, which makes them more trustworthy and transparent, especially in highly interactive environments like livestreams on the Facebook platform. Therefore, based on some previous research results, it has been shown that trust is an important factor in the relationship between attitude and online shopping behavioral intention (Shyh-Hwang Lee and Hoang Thi Bich

Ngoc, 2011) [14]. Faith is important in e-commerce because it reduces the perception of uncertainty and will positively influence purchasing decisions through livestreaming, the higher the trust in the product, the greater the impact. to the decision to shop online. From the above observations, hypothesis H1 is proposed as follows:

*H1: Buyer trust has a positive impact on young people's purchasing decisions through the livestream platform on Facebook.*

### 2.2.2 Price affects young people's purchasing decisions through livestream on Facebook

According to research by Sullivan and Kim (2018), appropriate price is the low level of product and service prices in the e-commerce environment compared to other business environments. Online shoppers often perceive price as an important cost component and compare prices between different alternatives (Chen and Dubinsky, 2003) [1]. Price matching refers to a promotional strategy in which suppliers reduce the retail cost of certain items to attract consumers. The larger the discount or the more convincing the sales staff and experts are, the more likely it is that consumers will make a purchase (Hassanein and Head, 2007) [4]. Consumers buy products during "livestream" sessions because they think they offer a cheaper price. The author hypothesizes H2: When young people buy products via livestream on Facebook, the higher the price compatibility, the greater the impact on online shopping decisions.

*H2: Price has a positive impact on young people's purchasing decisions via the livestream platform on Facebook.*

### 2.2.3 Visual appeal affects young people's purchasing decisions through livestream on Facebook

Visual appeal refers to elements of general design layout that enhance consumer appeal (Nadkarni, 2007). The salesperson displaying and explaining the product and trying the product on the livestream session can arouse consumers' interest, stimulate positive associations, and then stimulate the desire to purchase. The layout of the booth on the livestream, or the appearance of the livestream model or seller, also has a positive impact on the number of views and increases shopping decisions (Liu, 2013). A lot of followers are attracted to products or brands endorsed by live streamers (Lee and Chan, 2021) [7]. The appeal of livestreaming is an important content enabler in the livestreaming commerce landscape. Their attraction in the "live stream" environment is an important stimulating factor (Labrecque *et al.*, 2013) [6]. On that basis, the author proposes hypothesis H3:

*H3: Visual appeal has a positive impact on young people's purchasing decisions via livestream on Facebook.*

### 2.2.4 Promotions influence young people's purchasing decisions through livestream on Facebook

According to Lo *et al.* (2016), promotion is the use of stimulating factors, creating pressure in terms of time and quantity that can encourage consumers to make decisions. Promotions have a significant influence on purchasing decisions. For the same product, consumers will increase their interest in the product if the promotion is more attractive than that of competitors (Putra, 2019) [18]. When customers see promotional signs such as discounts or gifts,

they tend to buy quickly and without thinking twice (Wiranata and Hananto, 2018). Kaveh *et al* (2021)<sup>[11]</sup> found that customers who participate in promotions will feel attractive and valuable in their purchases. Pongratte and colleagues (2023)<sup>[19]</sup> showed the influence of promotions on product purchase preferences and concluded that advertising via Facebook live streaming has a positive influence on product purchase preferences. Rahman *et al* (2019)<sup>[12]</sup> also proved that promotions have a significant impact on purchasing decisions. Therefore, the authors proposed hypothesis H4:

**H4:** Promotions have a positive impact on young people's purchasing decisions via livestream on Facebook.

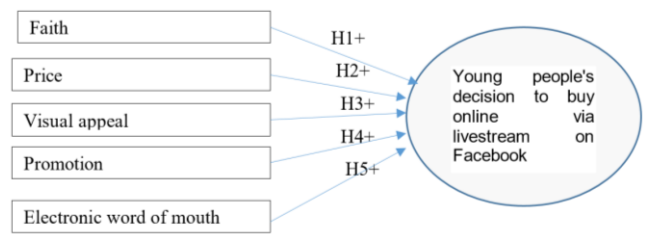
**2.2.5 Electronic word of mouth influences young people's purchasing decisions through livestream on Facebook**

With the rapid development of the Internet, electronic word of mouth is an effective method for consumers to engage in non-commercial advertising, sharing and discussing direct experiences about specific products and brands (Chevalier and Mayzlin, 2006)<sup>[2]</sup>. In general, electronic word of mouth can work in both aspects: Information providers and product/service recommenders because they can provide product information that meets the information seekers' requirements, as well as providing recommendations as a person who has consumed the product/service (Park, Lee, and Han, 2007)<sup>[15]</sup>. These notification and recommendation functions play an important role because electronic word of mouth is a channel managed by consumers, they are independent senders, information is considered trustworthy, and is more effective than traditional marketing activities

and reduce consumer risks (Hennig-Thurau & Walsh, 2004)<sup>[5]</sup>. Electronic word of mouth is a means of communication for sharing information about products or services that have been consumed between consumers who do not know each other and have met each other before. Electronic word of mouth includes three aspects: Intensity, opinion value and content (Puspitasari *et al.*, 2018)<sup>[17]</sup>. Social media platforms have become a tool to overcome marketing challenges. It facilitates the conversion of consumer relationships with brands and other consumers into brand advocacy known as electronic word of mouth (Morrison and Humlen, 2015)<sup>[19]</sup>. The author hypothesizes H5, when young people buy products via livestream on Facebook, the higher the electronic word of mouth, the greater the impact on online shopping decisions.

**H5:** Electronic word of mouth has a positive impact on young people's purchasing decisions via livestream on Facebook.

Based on the theoretical basis, the research model is proposed as Figure 1 below.



Source: Compiled by the authors

Fig 1: Proposed research model

Table 1: Interpretation of variables in the research model

Factors in the Model		Measure
Faith (F)		
F1	I believe Facebook keeps my information confidential	
F2	I believe I will receive the goods as expected	Likert 1-5
F3	I believe the product information given by the seller is true	
F4	I believe in Facebook's policies	
Price (PRI)		
PRI1	Product prices are consistent with similar products on the offline market	
PRI2	Product prices are consistent with consumer goals	
PRI3	The reduction in product price will determine whether to buy the product or not	Likert 1-5
PRI4	Products with free shipping will stimulate me to buy	
Visual appeal (VA)		
VA1	Beautifully displayed products attract consumers to watch the livestream to buy products	
VA2	The seller's trial of the product stimulates consumers to buy the product	
VA3	The fact that the seller clearly explained the product made me decide to buy the product	Likert 1-5
VA4	The seller's appearance attracts livestream views and influences purchasing decisions	
VA5	The appeal in the live streamer's voice will make me buy the product	
Promotion (PRO)		
PRO1	Promotion on Facebook livestream attracts me to buy the product	
PRO2	Promotions were offered a lot during the livestream, attracting me to watch the livestream and decide to buy the product	
PRO3	Promotions give me an opportunity to try the product	Likert 1-5
PRO4	Promotions make me buy more quantities of the same product	
Electronic word of mouth (EWM)		
EWM1	I believe in product reviews	
EWM2	I look at reviews to choose the right product	Likert 1-5
EWM3	I feel reassured when reading product reviews	
EWM4	I look at reviews discussed in online forums to decide whether to buy the product or not	
EWM5	Other consumers' opinions influence my product purchasing decisions	
Decide to buy online (DBO)		
DBO1	Trust impacts my purchasing decisions	
DBO2	Reasonable prices influence my purchasing decisions	Likert 1-5
DBO3	Visual appeal impacts my purchasing decisions	
DBO4	Promotions influence my purchasing decisions	
DBO5	Electronic word of mouth impacts my purchasing decisions	

Source: Compiled by the authors

### 3. Research methods

The research was conducted in two phases, qualitative research and quantitative research. In qualitative research, the author chooses the group discussion method, based on a pre-designed discussion board. The number of people interviewed was 20 people, young consumers between the ages of 18 and 25 years old who have the habit of buying online via livestream on Facebook, sampled according to a convenient method. The content of the interview guide aims to identify specific factors that impact the decision to buy products online via livestream on Facebook. From the qualitative research results, the author adjusted the original research model and added observed variables in the theoretical research model, to come up with an official research model. The author conducted quantitative research with 250 young consumers through a convenient sampling method by sending online surveys to the emails of customers who made online purchases while watching livestreams on Facebook. Accordingly, the combined results had 32 votes eliminated due to missing data, leaving 218 valid votes. The survey was built mainly based on a 5-point Likert scale from Strongly Disagree to Strongly Agree to assess the influence of factors on the decision to buy goods online via livestream on Facebook.

### 4. Results and discussion

#### 4.1 Testing the scale

The scale of concepts was preliminarily screened using the Cronbach alpha reliability analysis method. Then the scale was tested using exploratory factor analysis (EFA). The results of testing the scale are presented in table 1. There are 2 variables removed in this stage: VA4 and PRI2 because these observed variables have factor loading coefficients less than 0.4.

**Table 2:** Results of factor analysis

	Factors				
	1	2	3	4	5
EWM1	0.877				
EWM3	0.865				
EWM4	0.864				
EWM2	0.855				
EWM5	0.801				
F3		0.868			
F1		0.862			
F2		0.825			
F4		0.765			
PRI4			0.841		
PRI1			0.839		
PRI3			0.651		
PRO3				0.839	
PRO4				0.822	
PRO2				0.813	
PRO1				0.811	
VA3					0.825
VA2					0.811
VA1					0.802
VA5					0.779
Kaiser-Meyer-Olkin Measure of Sampling Adequacy 0.805					
Sig. 0.000					
Eigenvalues 1.822					
Total variance extracted 72.045%					

Source: Compiled by the authors

KMO coefficient = 0.805 (satisfies the condition  $0.5 \leq KMO \leq 1$ ). Thus, EFA factor analysis for the data is appropriate. Bartlett's test is significant  $Sig. = 0.000 < 0.05$ , we see that the observed variables are correlated with each other. The cumulative variance of the factors reached  $72.045\% > 50\%$ . This shows that the factors explain 72.045% of the variation in the observations.

The eigenvalues of all factors are high ( $>1$ ). This is an acceptable result and proves that grouping factors together is appropriate.

Thus, after evaluating the scale using Cronbach's Alpha and EFA coefficients, the research model had 2 observed variables eliminated, VA4 and PRI2, leaving 20 observed variables and were included in the regression analysis.

#### 4.2 Regression analysis

After conducting correlation analysis, the author conducted regression analysis with 5 independent variables (F, PRI, VA, PRO, EWM) and 1 dependent variable DBO.

**Table 2:** Results of regression analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.589	0.157		3.748	0.000
EWM	0.105	0.031	0.147	3.360	0.001
F	0.228	0.039	0.277	5.910	0.000
PRI	0.291	0.037	0.359	7.968	0.000
PRO	0.085	0.032	0.110	2.298	0.021
VA	0.112	0.033	0.148	3.472	0.001

The results of regression analysis have an  $R^2$  coefficient of 0.532 and an adjusted  $R^2$  coefficient of 0.525. This means that the research model has a fitness of 52.5% or 52.5% of the variation in the dependent variable DBO can be explained by the independent variables in the model. The model has no autocorrelation through testing the DurbinWatson coefficient when  $1 < d < 3$  ( $d = 1.552$ ).

In general, consumers between the ages of 18 and 25 expressed agreement when asked about young people's online purchasing decisions via livestream on Facebook. There are 5 influencing factors and the linear regression equation predicted by the independent variables is written as follows:

$$DBO = 0.589 + 0.105 * EWM + 0.228 * F + 0.291 * PRI + 0.085 * PRO + 0.112 * VA + \epsilon$$

Under the condition that other factors remain unchanged, Faith (F), Price (PRI), Visual Appeal (VA), Promotion (PRO), Electronic Word of Mouth (EWM) have the same impact on Transforming young people's online purchasing decisions through livestream on Facebook (DBO)

### 5. Conclusion and implications

After the process of regression analysis of 5 independent variables using the one-time inclusion method, the author found that the 5 hypotheses H1, H2, H3, H4, H5 are accepted because the factors have a positive impact on dependent variable DBO with significance level  $Sig. < 0.05$ . Thus, there are 5 factors that influence young people's online purchasing decisions via livestream on Facebook,



arranged in order from strongest to weakest: (1) Price, (2) Faith, (3) Visual appeal, (4) electronic word of mouth, (5) promotion.

Price directly impacts young people's online purchasing decisions, so administrators and marketing planners should implement price discounts along with incentives, which will often create more efficiency, such as: Limited discount codes, free shipping codes. In addition, to make online shopping less risky, administrators also need to improve their reputation in payment transactions, ensuring the quality of goods matches the description so that customers can feel secure when buying. With many products, especially fashion goods, increasing the visual appeal of the product also needs attention, with more emphasis on presenting products in livestream sessions and interacting with customers. more. Sellers can create their own fan group by building a Facebook page based on a theme about the product they sell, posting images, videos as well as announcing livestream schedules for consumers to understand and help. Sellers have loyal customers, and they will be the ones who review product quality for the business. Promotions do not have much impact on consumers' purchasing decisions through livestream, but businesses should also develop promotional policies to take care of their loyal customers, so that consumers feel more interested and will be loyal to the products the business sells.

Through this research, businesses, organizations, and individuals will better understand consumers' shopping decisions when watching livestreams on Facebook today, thereby building appropriate promotion and sales policies. to improve revenue as well as business efficiency.

Like other studies, this study also has some limitations such as: The study used a convenience sampling method, so the data collected is not highly reliable. Vieech analyzed the data in the study only with a small sample size (n = 250), so the representativeness is not high. In addition, the study also only considered a few factors that directly affect young people's online purchasing decisions via livestream on Facebook, while there are many factors that affect online purchasing decisions via Facebook. livestream on Facebook of consumers in Vietnam.

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