CHAPTER II

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

2.1 Literature Review

2.1.1 Social Exchange Theory

The social exchange theory was established by Blau (1964) and Emerson (1976). The social exchange theory is a concept of sociological and psychological theory that states that human interactions are governed by a calculation of costs and benefits. It proposes that humans always weigh the rewards against the cost and always strive to maximize rewards and minimize costs. The rewards can be varied, ranging from tangibles such as financial gains or material possessions to intangibles such as social approval and emotional support. In this theory, the meaning of costs is the time, effort, resources, or risks associated with the interaction (Rohall, 2015).

Connecting this to the context of TikTok live streaming e-commerce, the platforms subconsciously shape purchase intention for both content creators and viewers. TikTok live streamers will try to compare the potential rewards of engagement and followers that they get while live streaming against the time and effort invested in creating the content. On the other hand, viewers will also weigh the benefits of receiving special promotions or discounts against the time they spent watching the livestream. The TikTok live-streaming platform is designed to maximize rewards for both content creators and viewers (Mabkhot et al., 2022).

Furthermore, Credibility can be built through how transparent and honest a social media influencer (SMI) is. The more followers trust an influencer's opinion about a certain product, the more likely they are to purchase the product being promoted (Jamil et al., 2023). This example aligns with the social exchange theory, where individuals tend to engage in interactions based on the assessment of costs and benefits. When individuals perceive their favorite SMIs as transparent and honest, they are more likely to trust their

opinions about the product that is being reviewed. Individuals anticipate receiving guidance from their credible SMIs that will increase the likelihood of purchasing the products they promote (Almahdi et al., 2022). Previous research from Mabkhot et al. (2022) also supports this idea, stating that SMIs' expertise and authenticity significantly build follower trust, affecting purchase intentions.

In conclusion, the social exchange theory is going to support the hypothesis of this research because it explains the relationship between the credibility of influencers and consumers' purchase intention. The social exchange theory suggests that the credibility of SMIs mediates the relationship between SMIs and consumer purchase intentions and that consumers will be more likely to trust the recommendations of credible influencers, which will increase the likelihood of making a purchase (Abdullah et al., 2023; Patmawati & Miswanto, 2022).

2.1.2 Purchase Intention

Purchase intention is an important aspect that has been studied in many fields, including marketing, economics, and psychology (Spears & Singh, 2004). However, in the context of marketing, it can be defined as how individuals consciously make efforts toward acquiring a particular brand. It means that the potential buyer uses their thoughts, emotions, and actions towards embracing, buying, and using the products. In short, it is defined as the consumers' plans to purchase a particular brand item (Dadwal et al., 2019).

The thought process of purchase intention in social commerce can be divided into several stages. Firstly, customers are exposed to products through the posts they see on social media. Next, customers enter the research phase where they go through the reviews and ratings of the products. The customers then will go through the preference and persuasion stage where they compare similar products with each other before finally deciding to purchase (S. Hu & Zhu, 2022).

In TikTok live streaming, purchase intention is important because of the instant interaction between influencers and potential buyers. The live format will allow social media influencers to demonstrate products in real time and answer viewer questions instantly, which can create a sense of urgency and trust that motivates quick purchasing

decisions. This live engagement feature is going to make viewers move through the decision-making process, from exposure to purchase, in a shorter time frame (Zhang et al., 2024).

Previous research about Social Media Influencers (SMIs) mentions the importance of SMIs' attitudes towards purchase intention. This is because SMIs will receive knowledge and will be able to adapt their strategies to increase their following and encourage them to purchase the advertised products. SMIs have a positive impact on social media users' purchase intentions (Saima & Khan, 2020).

2.1.3 Social Media Influencers

In this digital era, where social media is becoming more popular and information travels faster than ever, social media influencers have become a powerful catalyst in shaping consumer behaviors. According to Khan et al. (2024), social media influencers can be defined as someone who influence the opinions of their followers using many kinds of social media platforms. They create creative content such as posts and videos to attract and build their followers across various platforms.

Furthermore, we used to define SMIs as someone who gained their fame online, mostly through social media activities. Traditional celebrities including singers or actors were not included (Koay et al., 2022). These days, someone can be both. For instance, Raffi Ahmad is a celebrity well-known as an actor, presenter, and singer. However, nowadays, he is also a social media influencer on various social media such as TikTok and Instagram, accumulating over 90 million followers (Zhou et al., 2021).

The world of SMI is broad, it varies from anyone who shares information about their health, lifestyles, or products on social media. For example, fashionistas who are promoting their beauty brand (Jin & Muqaddam, 2019), celebrities who endorse products by posting selfies on their social media (Jin & Ryu, 2020), and vloggers who review products or applications via platforms like YouTube or Facebook (Koay et al., 2022). These people are all categorized within the same bracket, which is social media influencers.

Social media influencers are very important on TikTok live streaming due to the platform's specific feature of real-time interaction and short, engaging content. Influencers

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can build trust and authenticity by doing live product demonstrations and responses to audience questions, which helps to enhance engagement and drive purchase decisions. This live interaction is what traditional social media lacks, and where social media influencers can be more effective in shaping consumer behavior (Lim et al., 2017; Patmawati & Miswanto, 2022).

2.1.4 Credibility

The fast growth of technology has sparked a variety of diverse communication channels, including social media and influencers that are becoming bigger every day (Prieto-Egido et al., 2023). Credibility is a crucial concept in communication and marketing. Credibility can be defined as the quality of being trusted and believable. In the context of communication, credibility has two important aspects, which are expertise and trustworthiness. Expertise refers to how knowledgeable or skilled one is as a communicator, while trustworthiness relates to perceived honesty and reliability (AlFarraj et al., 2021; Saima & Khan, 2020).

The notion of credibility is closely related to someone's perception, subject to the individual's perspective. It is not an absolute attribute but rather a subjective judgment that can be influenced by numerous factors such as personal experiences and biases (Lou & Yuan, 2019). Credibility is important for social media influencers (SMIs) on platforms like TikTok live streaming, as it directly impacts their ability to persuade and engage audiences in real-time interactions. When viewers perceive an influencer as credible, they are more likely to trust their product recommendations and engage in purchasing decisions. In TikTok live streaming, where immediacy and authenticity play key roles, credible influencers can foster a sense of connection and trust, which enhances their effectiveness in driving consumer behavior (Chin et al., 2020; Schouten et al., 2020).

In the past, credibility in the media was mostly controlled by individuals with financial resources. However, the advent of digital platforms and the widespread adoption of social media has enabled anyone to disseminate information to mass audiences(AlFarraj et al., 2021). Research has shown that SMIs with high levels of credibility can surpass

traditional media sources in their ability to influence consumer behavior (Ameen et al., 2021).

2.2 Previous Studies

Table 2. 1 Previous Research

No.	Title, Author, Year	Variable	Research Method	Result
1.	The Influence of the Credibility of Social Media Influencers SMIs on the Consumers' Purchase Intentions: Evidence from Saudi Arabia (Mabkhot et al., 2022).	1. Social Media Influencers 2. Credibility 3. Purchase Intention	Online questionnaire was used to collect the data in the Eastern Region of Saudi Arabia with 312 respondents. The data analysis used were partial least squares (PLS-SEM)	The finding indicates that there is a significant link between SMIs and purchase intentions, and credibility was determined to play a mediating role between these variables.
2	Effect of Social Media Influencer Marketing on Consumers' Purchase Intention and the Mediating Role of Credibility (Saima & Khan, 2020).	1. Expertise 2. Trustworthiness 3. Likability 4. Information Quality 5. Entertainment Value 6. Credibility	Online questionnaire was used to collect the data through google Forms with 76 respondents. The technique	The finding indicates that trustworthiness, information quality, and entertainment value have significant direct

		7. Purchase Intention	used was quota sampling, and structural equation modelling through SmartPLS 3 was used for data analysis.	effects on the credibility of influencers and an indirect effect of the purchase intention of consumers. Purchase intention is directly affected by an influencer's trustworthiness and credibility.
3.	Social media influencer marketing: the moderating role of materialism (Koay et al., 2022).	1. Trustworthiness 2. Attractiveness 3. Expertise 4. Materialism 5. Purchase Intention	Online surveys were used to collect data from 191 Instagram users. The data analysis used was PLS-SEM using SmartPLS	The results show that SMIs' trustworthiness and expertise are significant predictors of followers' purchase intention. The moderating effect of materialism on the relationship between attractiveness and purchase

			intention are significant.
4.	Examining the impact of influencers' credibility dimensions: attractiveness, trustworthiness and expertise on the purchase intention in the aesthetic dermatology industry (AlFarraj et al., 2021).	1. Influencers credibility 2. Online customer engagement 3. Purchase intention	The research method used in this study is a survey method. The researchers used a purposive sampling method to select a sample of 384 consumers of the aesthetic dermatology sector from followers of aesthetic dermatology clinics on their Instagram accounts.	The data indicated attractiveness and expertise impacted online engagement and purchase intention. However, mediating influence was also founded for online engagement on the path between influencer credibility and purchase intention.
5	"I think exactly the same"—trust in SMIs and online purchase intention: a moderation mediation analysis using PLS-SEM (Khan et al., 2024).	1. Social media influencer 2. Trustworthiness 3. Purchase intention. 4. Homophily	The data were collected through online questionnaire via Google Forms from 417 respondents in	The results indicate a positive and significant influence of trust in SMIs on credibility of the

			Jaipur, India. PLS-SEM was used to test the hypotheses using SmartPLS version 4	post and online purchase intention. It also found a positive and significant relationship between credibility of the post and online purchase intention. In addition, homophily positively moderated the relationship between trust in SMIs and credibility of the post.

2.3 Hypothesis Development

2.3.1 The Influence of SMIs on Consumer Purchase Intention.

When it comes to marketing businesses, small and big social media influencers have become a crucial part. Major companies increasingly rely on SMIs to build brand recognition and help turn their potential customers into buyers (Tuten et al., n.d.). Influencer marketing is a powerful tool when we use it to connect to generate meaningful interaction and target specific audiences. They have the capacity to impact customers

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purchase intention using mass media. Businesses are increasingly relying on SMIs who are trusted by their followers. Furthermore, the trustworthiness of a SMIs can be determined by the followers' perceptions of their attractiveness, similarity, and trustworthiness (Nurhandayani et al., 2019). This is in accordance with the social exchange theory, which stated that people are more likely to be persuaded by those that they perceive as trustworthy and who offer value in exchange for their attention.

The rise of social media has caused companies to increasingly use SMIs to gain more interaction with their brands. Businesses recognize that social media influencers can serve as both valuable social assets and effective marketing channels. (Jiménez-Castillo & Sánchez-Fernández, 2019). Previous research has consistently shown that SMIs can significantly influence consumer purchase intention (Mabkhot et al., 2022; Saima & Khan, 2020; Masuda et al., 2022). Existing literature has highlighted the importance of SMIs on the product, with studies showing that SMIs can lead to a more positive consumer review (Schouten et al., 2020). Furthermore, S. S. Lee et al. (2022) have also explored that SMIs are linked with brand attitude and positive word of mouth. Based on these findings, SMIs can play a significant role when shaping consumers' purchase intention. Thus, the first hypothesis is created:

H1: SMIs are positively influenced to consumer purchase intention.

2.3.2 SMIs Positively Influenced Credibility.

The importance of credibility in the context of social media influencers (SMIs) in today's digital world is crucial and cannot be overstated. The success and impact of SMIs are highly determined based on their credibility. They are now regarded and seen as individuals who are reliable and can be trusted to provide accurate information (T. J. Chan et al., 2024). In this digital world, information spreads very quickly. However, the credibility of the information can often be questionable. This is why it is important for SMIs to consistently deliver accurate and insightful information. By doing this, SMIs establish themselves as credible sources thus earning the trust and respect of their followers (D. Y. Kim & Kim, 2021b). This aligns with the social exchange theory because people are more likely to engage with those they perceive as credible. The credibility of influencers

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is the valuable and trustworthy information they give in exchange for the audience's attention.

In the world of marketing, research believes that credibility plays an important role in Social Media Influencers. Previous research has mentioned that the credibility of SMIs can have a better influence than the traditional media (Mabkhot et al., 2022). Further studies have demonstrated that credibility is essential to shaping the reputation of SMIs (Kapitan et al., 2022). This credibility can be characterized by traits such as honesty, transparency, and staying true to oneself. Lastly, Sokolova and Kefi (2020) also highlight the importance of creating a strong relationship between SMIs and their audience, because it can serve as a catalyst for promoting credibility. Based on these findings, the second hypothesis is created:

H2: SMIs positively influenced credibility.

2.3.3 The Credibility of Influencers Positively Impacted Consumers' Purchase Intentions.

Credibility is a key determinant of consumers' purchase intentions in social commerce, as supported by previous research (Saima & Khan, 2020; Mabkhot et al., 2022). Studies have consistently shown that social media influencers (SMIs) have yielded a greater impact than traditional media, with credibility being the decisive factor (Weismueller et al., 2020). Like celebrity endorsements, highly credible SMIs can significantly impact attitudes and behaviors by lending authenticity and relatability, which resonate with their audience (J. S. Lee et al., 2022; Belanche et al., 2021)

When SMIs share their personal experiences, they help strengthen the trust relationship with their followers, which can greatly influence their purchase intentions (Bi & Zhang, 2023). This is proof that when creating social media marketing strategies that use influencers, customer preferences are crucial when applying influencer-driven marketing strategies (Chin et al., 2020b). Furthermore, it aligns with the social exchange theory which emphasizes mutual benefits. SMIs provide valuable information to their followers, and in return, their followers invest their trust and potentially make a purchase based on the SMI's recommendations.

Shah and Wei (2022) further emphasize how source credibility is a positive attribute that shapes how audiences interpret and receive information. Research has shown that influencer credibility directly influences consumer purchase intention. Huang et al. (2023) have also demonstrated the significant role of social presence in shaping consumers' purchase decisions. Based on these findings, the third hypothesis is created

H3: The credibility of influencers positively impacted consumers' purchase intention.

2.3.4 Credibility Mediated the Relationship Between SMIs and Purchase Intention.

The topic of the relationship between Social Media Influencers (SMIs) and consumer purchase intention has gained a lot of interest. Technology advances have led to many different forms of communication, including the emergence of social media and influencers that have become more prominent. The information provided by SMIs is essential to their followers and can influence their behavior (F. Chan, 2022). Moreover, as consumers increasingly rely more on social media for their product recommendations and guidance, it is crucial to understand the role of credibility in mediating the relationship between SMIs and purchase intention.

Research indicates that credibility is a key mediator in the relationship between SMIs and purchase intention (Mabkhot et al., 2022). Further studies have also indicated that consumers' purchase intentions were significantly influenced by social presence (Onofrei et al., 2022). Another study has also confirmed that SMI credibility mediates the effect of influencer endorsement on consumer purchase intentions (Lou & Yuan, 2019). Similarly, a study by Djafarova & Trofimenko (2019) emphasizes that the credibility of SMIs significantly impacts how consumers perceive the value of the information provided, thereby affecting their purchase decisions. This is because the perceptions of consumers towards SMIs' credibility, expertise, and trustworthiness can influence their understanding of information and ultimately their purchase intention (Stoddard et al., 2023). This aligns with the social exchange theory regarding rewards and costs. When SMIs are perceived as expert and credible, followers are more likely to trust their recommendations, which can lead to increased purchase intention. Furthermore, existing studies have proven that

consumers' purchase intentions and attitudes are influenced by the credibility of SMIs (Chin et al., 2020). Therefore, it is believed that the positive evaluation of SMIs credibility may generate more purchase intentions for the brand. Thus, the fourth hypothesis is created:

H4: SMIs and consumer purchase intentions are mediated by credibility.

2.4 Research Framework

This research framework suggests that social media influencers (SMIs) and their credibility significantly impact consumers' purchase intention. The theory contributing to this study is the Social Exchange theory. This is because it highlights the relationship between consumers and businesses. Consumers receive benefits such as quality products, positive brand image, and credibility. This will result in feelings of satisfaction, trust, and loyalty. This research states that there is a correlation between SMIs and consumer purchase intention, with customers perceiving influencers as more credible sources compared to traditional marketing channels. The research framework is illustrated in Figure 2
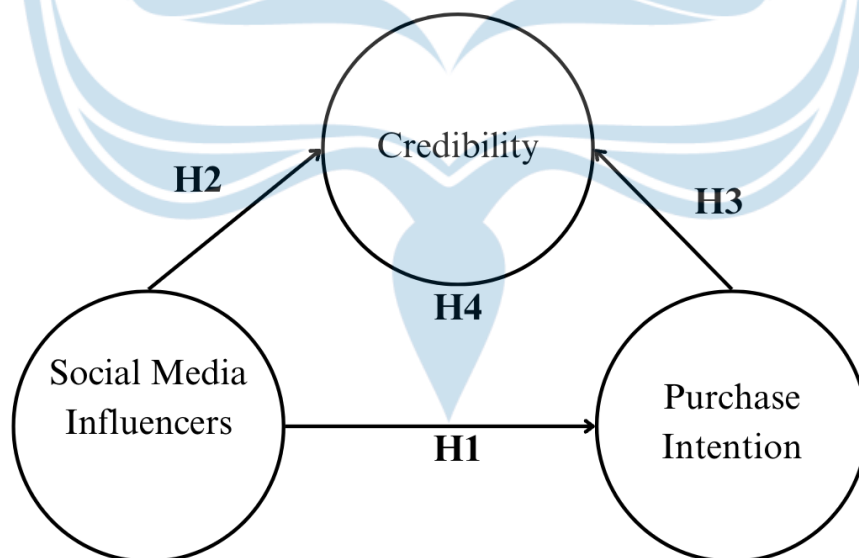

Figure 2. 1 Research Framework

Source: Mabkhot et al. (2022)