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# Analyzing the influence of internet celebrity TikTok live streaming on Chinese consumers' purchasing power

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## **Abstract**

This study explores the influence of Internet celebrity, the new opinion leaders in TikTok live streaming, on consumers' purchasing decisions. The study analyzed Internet celebrity expertise, popularity of internet celebrity, image of Internet celebrity and product suitability. Quantitative research method was used to distribute questionnaires through WeChat, a popular social media in China, and 125 valid questionnaires were collected. SPSS software was used to analyze the reliability and validity of the questionnaire. It is found that the expertise, popularity and adaptability of Internet celebrities have a significant impact on consumers' purchasing power. The results show that it is recommended that enterprises choose well-known and professional celebrities on Internet to endorse products, so as to improve the economic value and market effect of products.

**Keywords:** Internet celebrity TikTok, consumers' purchasing power

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## 1. Background and study

In the context of COVID-19, Chinese people have to stay at home, they are afraid to go to public places to buy things, but their demand for consumption has not decreased but increased, because Chinese people who stay at home have nothing to do but to make themselves happy by shopping online (Warinrampai Rungruangjit, 2022). As a result TikTok live Streaming started to emerge rapidly. TikTok live streaming is a new industry that is rapidly emerging. It not only brings joy to people through short video content, but also allows consumers to see the products more clearly and comprehensively through live streaming. In China, many internet celebrities have used their appeal to attract a large number of followers on social platforms. The influence of these internet celebrities has even surpassed that of traditional opinion leaders De Veirman et al., 2017). When referring to and evaluating the value of goods, consumers are influenced by internet celebrities, which has an impact on purchase decisions and behaviour.

## 2. Problem statement

Internet celebrities bring goods through TikTok live streaming, so that consumers can have a more comprehensive understanding of the products, but consumers will not see the actual products, which will affect the sales of products. At this time, internet celebrities with a certain number of fans show and evaluate the products,

which brings confidence and guarantee to the consumers and affects their purchasing power to a certain extent. However, most of the current research on live streaming commerce bandwagoning has not conducted targeted research on the TikTok live streaming platform, nor has it made substantive recommendations for companies (Augustine, 2019). This study therefore focuses on how the new type of opinion leader in TikTok live streaming, the Internet celebrity, influences consumers' decision to buy, focusing on the three aspects of Internet celebrity expertise, popularity, Internet celebrity image and product suitability on consumer purchasing power.

## 3. Purpose of the study

#### 3.1. What do we want to know about this topic?

What are the main ways in which internet celebrity, a new type of opinion leader created by the new age social media platform, influences consumer purchasing power during TikTok live streaming in this study?

## 3.2. What are the objectives of this study?

To analyse the relationship between internet celebrity and TikTok live streaming to understand the key aspects of internet celebrity's influence on consumer purchasing power. —To understand the main factors that influence the purchasing power of internet celebrity via the social media platform TikTok live streaming, so

that the flow of internet celebrity can be better realised, and so that to better develop China's stagnant economy due to covid-19.

#### 4. Literature Review

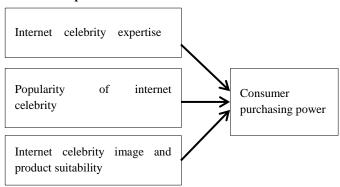
#### 4.1. Social marketing theory

The concept of social marketing theory was originally proposed by Gerald Chatman and Philip Kotler in 1971, and its main idea is to use marketing principles, methods and techniques to purposefully induce target groups to voluntarily accept and change social behavior for the benefit of individuals, groups or society as a whole, using marketing principles and techniques to make target groups voluntarily Acceptance, rejection, change, or refusal. group or society as a whole (Kotler, 2002). In addition, Dann (2010, p. 151) explains social marketing as a means by which commercial marketing activities and organizations lead target groups and audiences to change their behavior in order to achieve social goals. Traditional marketing is based on economic values, goods or services for profit, and is primarily responsible for private interests. In contrast, social marketing is social value as the starting point and is responsible to the public (SunYuTing, 2014). With the advent of the Internet, the Influence of social media, and the emergence of digital technology has led to a change in the market environment, so in order to keep up with the trend of the times, therefore new social marketing strategies must be considered (Kannan and Li, 2017).

#### 4.2. Literature gap

Previous literature has applied social marketing theory to investigate the willingness of individuals to receive COVID- 19 vaccination. In China, social marketing theory has also been applied to new rural planning to bring about "dramatic changes" in the social behavior of villagers' lifestyles and living conditions in a positive direction (SunYuTing, 2014). Previous research on social marketing theory is mostly on the social level, not much on the marketing level, so the concept of social marketing theory is used in the research method of this paper, TikTok live provides a good help for China's economic recovery, which lays the foundation for the development of traditional enterprises from the digital direction and promotes the rapid development of China's "Internet economy The rapid development of the "Internet economy" in China. This has provided an important impetus for the sustained and stable development of the Chinese economy during the New Crown Pneumonia epidemic. The focus of this study is to understand the factors that influence the purchasing power of internet celebrity TikTok live streaming on consumers, as internet celebrity themselves are a product of online marketing, where some people package themselves as a specific image through social media marketing to create appeal and influence among a specific group of people. They are also an act of expression through which marketing is used to purposefully induce the target group to consume and thus gain social benefits. Therefore, I analyze the influence of online celebrities on their purchase intentions from three perspectives: professionalism, popularity, online celebrity image, product matching and consumer trust through a study of consumers' purchase purposes in the TikTok live streaming scenario.

#### 4.3. Proposed Research Framework



## 5. Research Questions/Hypotheses

## **Research Questions**

Q1: Does internet celebrity expertise have an impact on consumer purchasing power

Q2 : Does the popularity of internet celebrity have an impact on consumer purchasing behaviour

Q3 : Does internet celebrity and product fit influence consumer purchasing power

#### Hypothesis

H1: Internet celebrity's expertise has a positive effect on consumer purchasing power

H2: The popularity of internet celebrity has a positive effect on consumer purchasing

Behavior

H3: Internet celebrity and product fit have a positive effect on consumer purchasing power.

## 6. Methodology

#### 6.1. Scope of the study

Generation Z in China is the target population for the current study. The age group was 18 to 24 years old. Both male and female participants were part of the study's target population. According to past research, 99% of Generation Z members have an active presence on various social media platforms such as Weibo, WeChat, etc. They are also the largest user group of the social media platform Jitterbug and are an important part of the TikTok live streaming consumer population.

#### 6.2. Data collection methods

Data collection method According to the research objectives and content, the main research method used in this study is quantitative research. The questionnaires were Collectedusing "Questionnaire Star" and distributed using the WeChat platform, and the electronic survey was managed as a word document. A survey was designed to collect data. Five items were used to measure the impact of Internet celebrity's expertise on consumer purchasing power, four items were used to measure the impact of Internet celebrity's popularity on consumer purchasing behavior, and four items were used to study the impact of Internet celebrity's image and product adaptability on consumer purchasing power. A total of 125 questionnaires were distributed through

Questionnaire Star and the questionnaires were found suitable for further analysis.

The questionnaire is designed into two parts. Part A collects the basic demographic information of the participants, and part B is a questionnaire about the influence of Internet celebrities on

consumers' purchasing power. (A detailed copy of the questionnaire is at Appendix A and Appendix B )

#### 6.3. Data Analysis and Results

This paper used PSPP statistical software to analyze the data, and the valid questionnaires were compiled and entered, analyzed, and tested using the following analysis methods.

#### Demographic

Analysis was conducted to describe the sample structure and distribution of the survey. Gender, age, education level, and time spent on TikTok,Monthly income level,The time spent on TikTok every day,the number of times you buy internet celebrity brand products were the six variables used in the demographic analysis of the target population. A detailed analysis of these variable analyses in table1.(refer appendix C)

#### **Descriptive analysis**

Table 01 shows a total sample size of 125, starting with a gender analysis, with 28% of male respondents and 72% of female respondents in the total sample size. This indicates that the presence of female users on social media is relatively higher than that of male users. Secondly age profile from the table shows that 54.4% of the respondents are between 18 - 20 years old, 26.4% are between 21 - 23 years old, 11.2% are between 24 - 26 years old, while only 8% of the respondents are above 26 years old. The study shows that social media users are mostly Gen Y and Gen Z, who enjoy using the internet, are influenced by Netflix and spend time on social media. Then there is the educational background of the respondents. 7.2% of the participants had an associate degree, 76.8% had a bachelor's degree, and 16% had a master's degree. By studying students with different educational backgrounds, it is possible to study that education has an impact on consumer purchasing power. As the level of monthly income determines the purchasing power of consumers, the survey showed that 68% of the participants had a monthly income level below 2000, 12% had a monthly income above 2000-3000, 11.2% had a monthly income between 4000-5000, and 8.8% had a monthly income above 5000. Lastly, it is the number of times participants bought products from Netflix brands. The analysis shows that 68% of the participants buy Netflix brand products once a week. 8% of the participants buy TikTok products 1-3 times a week. 7.2% of the participants buy TikTok products 4-6 times a week. No one would buy TikTok products every day.

#### **Reliability Test**

In the actual test, the reliability test of each variable is carried out to check the reliability of the whole instrument. Cronbach's Alpha represents the reliability of questionnaire items. Cronbach's alpha of all items in the structure is higher than 0.9, indicating good data reliability (refer appendix D figure T2). Therefore, these data can be used for hypothesis testing.

Table2 Summary of Cronbach 's Alpha- actual test

Variables	N of items	Cronbach's alpha	Interpretation
Expertise	5	0.91	Strong
Popularity	4	0.93	Strong

Fit	4	0.95	Excellent

#### **Hypothesis testing- Pearson Correlation Analysis**

From part 5, the hypothesis shows that the three independent variables proposed have a significant impact on consumer purchasing power. Pearson Correlation analysis was used to test the hypothesis, and the results were shown as follows:

**Table 3 Pearson Correlation Analysis** 

#### Correlations

	expertise	Popularity	Fit
expertise Pearson Correlation Sig. (2-talled) N	1.000 125	.820a .000 125	.756a .000 125
Popularity Pearson Correlation Sig (2-tailed) N	.280a .000 125	1.00	.870a .000 125
Fit Pearson Correlation Sig.(2-tailed) N	.756a .000 125	.870 .000 125	1.00

#### a. Significant at .05 level

Correlation is a statistical concept used to measure the strength of the relationship between two or more continuous variables. According to Pearson correlation analysis, the coefficient R takes a range of (-1, 1), the range of R represents the strength of the relationship between the variables there is "a" and that means there are related and significant.(refer appendix D figure T3)therefore, based on the data analysis we can conclude that the positive correlation between consumer purchase intention and Internet celebrity's expertise, The popularity of internet celebrity, Internet celebrity and product fit The relationship shows that these changes have a strong influence on purchase intention. The data shows that The popularity of internet celebrity is the most important when consumers watch TikTok live stream to purchase products. internet celebrity and product fit is the second most important factor affecting consumers' purchase intention, while internet celebrity's expertise also affects consumers' purchase intention on TikTok live stream platform, the sig.(2-tailed) is the p-value for the analysis, the purpose is to test whether there is relationship under 0.05. where hypothesis is rejected when p-values is more than 0.05. According to the above table analysis, it can be concluded that all hypotheses have a p-value of 0.00 representing that all three hypotheses hold. Summarizing the above data, we conclude that Internet celebrity has a great influence on consumer purchasing power, where Internet celebrity's expertise, The popularity of internet celebrity, Internet celebrity and product fit are the key factors that influence consumer purchasing power.

## 7. Discussion

This study aims to investigate whether Internet celebrity TicTok live streaming has effect on consumer purchasing power, therefore this study sets three hypotheses and according to the results, the results of the study support H1: Internet celebrity's expertise has a positive effect on consumer purchasing power and based on the results we can conclude. If internet celebrity demonstrates

expertise, his followers will be influenced by this factor and will be more likely to purchase the relevant products he broadcasts (Sokolova and Kefi, 2020). diafarova and Rushworth (2017) surveyed female Instagram users aged 18-30 and found that social media influencers on YouTube and Instagram were more likely to be associated with expertise and purchase behavior than traditional celebrities. This suggests that Internet celebrity's expertise may play a more important role in influencing followers' purchase intentions than previous studies, and that TikTok has a broader range of consumers. Consumers' purchase intention in TikTok live streaming is influenced by Internet celebrity's expertise, which amounts to a knowledge by virtue of which Internet celebrity can improve their understanding of the product and thus their purchasing power. Regarding H2: The popularity of internet celebrity has a positive effect on consumer purchasing behavior. the results of the study show that H2 holds. Thus we can conclude that celebrities with higher popularity among consumers produce better results in marketing (McCormick, 2016), while the similarity between social media influencers with higher popularity and followers increases the social appeal of celebrities (Sokolova and Kefi. 2020), which leads to Internet celebrity Marwick (2011) argues that the popularity of internet celebrity represents a simple indicator for consumers to identify a good or bad product because more famous Internet celebrities have more resources and a wider range of choices. Therefore, they do not consume their popularity easily and also the data shows that the popularity of Internet celebrity has the most influence on consumers when they purchase products. Therefore, if companies want to increase the economic value and effectiveness of their products, they should choose the popularity of Internet celebrities to endorse their products. Regarding H3: Internet celebrity and product fit have a positive effect on consumer purchasing power. The results of the study show that H3 holds that the attractiveness of the endorser increases the effectiveness of the endorsement in both traditional mass media and online media (e.g., Till and Busler, 2000). A good product endorser contributes to the overall image of the product, and if the product is detached from the image of the product endorser, it may lead to a decrease in consumer trust in the product (Shamdasani et al., 2001), and H3 also provides an angle to design products to directly interface with Internet celebrity to make them sticky with the product, thus launching special products and adopting The fan economy effect can increase product sales and consumer purchasing power. According to the results of this study, Internet celebrity TikTok live streaming will have a positive impact on consumer purchasing power, so we should focus on Internet celebrities with certain influence when using Internet celebrity for TikTok live streaming, and after studying the related knot influence on the purchasing power of target consumers, companies can After studying the influence of Internet celebrities on the purchasing power of target consumers, companies can further optimize the marketing effect by choosing Internet celebrities with high visibility.

## 8. Conclusion

In this article, focusing on consumer purchasing power, using social marketing theory based and quantitative research method, we conducted an online survey of consumers who have purchased products after watching live on TikTok, the main group of the survey is Chinese university students. Through observation this study mainly selected three perspectives of Internet celebrity's expertise, The popularity of internet celebrity, Internet celebrity and product fit to study the influence of Internet celebrity on

consumers' purchasing power. Only by doing a good user survey and analysis can we capture the shopping psychology of consumers, thus increasing the stickiness of users and finally gaining economic benefits. Therefore, by analyzing the impact of internet celebrity TikTok live streaming on Chinese consumers' purchasing power, this study can better realize Internet celebrity traffic and also better promote China's economy, which has been stagnant due to the new crown epidemic, to get better development. Provide live streaming marketing tips for TikTok live streaming commerce followers and anchors, ultimately providing a reference for improving the efficiency of TikTok live streaming commerce marketing. To provide more reference direction for China's economic development in the context of the COVID-19.

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