

THE INFLUENCE OF BRAND IMAGE AND TRUST ON PURCHASE DECISIONS IN TIKTOK SHOP

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Abstract: The present study aims to investigate the relationship between brand image, trust, and purchase decisions in the context of the TikTok Shop. As the e-commerce industry continues to evolve, factors influencing consumer purchase decisions have become increasingly complex. This research focuses on the impact of brand image and trust on consumers' decisions to make purchases within the TikTok Shop platform. In this study, a quantitative research approach is adopted, utilizing survey questionnaires to collect data from a sample of TikTok Shop users. The questionnaires assess participants' perceptions of brand image, trustworthiness, and their purchase intentions within the TikTok Shop environment. Statistical analyses, including correlation and regression analyses, are employed to examine the relationships between these variables. The findings of this study contribute to the understanding of how brand image and trust play pivotal roles in shaping consumers' purchase decisions within the context of the TikTok Shop. By shedding light on the factors that influence consumers in making online purchases, businesses and marketers can develop strategies to enhance their brand image and foster trust among consumers. This, in turn, can lead to increased purchase intentions and ultimately drive business growth. This research provides valuable insights for marketers, practitioners, and researchers seeking to optimize their marketing efforts within the dynamic and competitive e-commerce landscape. Understanding the interplay between brand image, trust, and purchase decisions in the context of TikTok Shop can guide businesses in developing effective marketing campaigns and building stronger relationships with their target audience.

Keywords: influence, Brand Image, Purchase Decisions, TikTok Shop

INTRODUCTION

Industry 4.0 is characterized by the utilization of information and the growth of the Internet of Things (IoT). The Industry 4.0 revolution, with its advancements, brings many conveniences to society in accessing information and fulfilling their needs. IoT drives digitalization in various aspects, including facilitating online buying and selling transactions. The rise of online purchasing is not only supported by the progress of the industrial revolution but also influenced by the pandemic caused by the COVID-19 virus. Online transactions are favored by the public due to their broader market reach, enhanced convenience, lack of time constraints, and more accurate product price comparisons (Mumtaha & Khoiri, n.d.). The increase in online buying and selling transactions is marked by the emergence of businesses utilizing platforms like e-commerce and social commerce.

E-commerce is a process of electronic buying and selling between

sellers and buyers using computers as intermediaries (Pradana, n.d.). Transactions in e-commerce can take place on websites or through applications. Examples of well-known e-commerce platforms include Amazon, eBay, Shopee, Tokopedia, Lazada, and others. On the other hand, social commerce is a form of buying and selling that leverages social media, integrating both online and offline interactions. Social commerce enables buyers and sellers to interact during the buying and selling process (Wang & Zhang, 2012). Examples of widely recognized social commerce platforms are Facebook, Instagram, and TikTok.

Today, the use of social commerce applications has increased alongside the growing usage of social media. Figure 1.1 illustrates the rising number of social media users in Indonesia, notably experiencing rapid growth from 2017 to 2023. In 2017, the percentage of social media app users was 47.03%, and by 2023, it reached 76.04%.

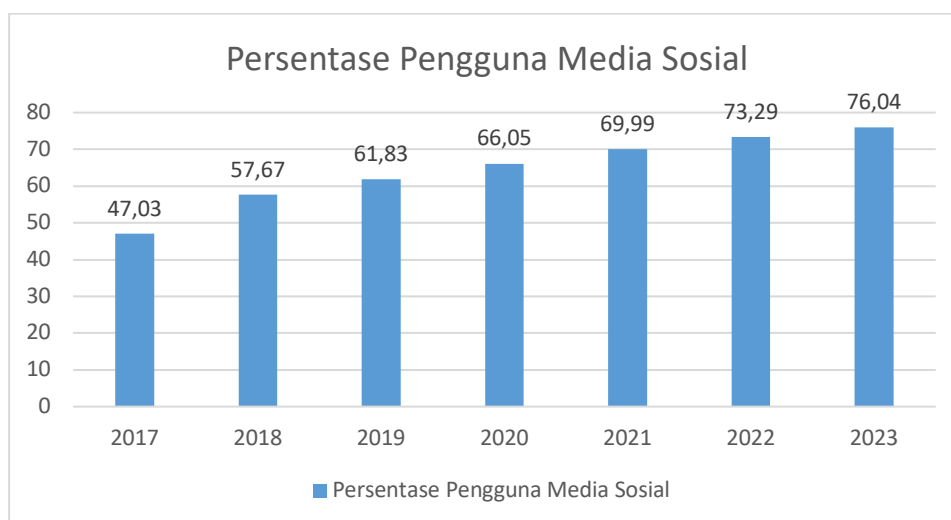


Figure 0. Percentage of Social Media Users for the 2017-2023 Period
(Source: Statista)

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The rapid growth of social media opens up many opportunities for business people in developing their businesses. The increase in the number of transactions on social commerce applications has an impact on the number of transaction growth in e-

commerce which is lower than the target set by Bank Indonesia (BI) in 2022. As illustrated in Figure 1.2, e-commerce transactions were recorded at IDR 476.3 trillion or 12% growth in 2022 while BI's target was IDR 489 trillion or around 17%.

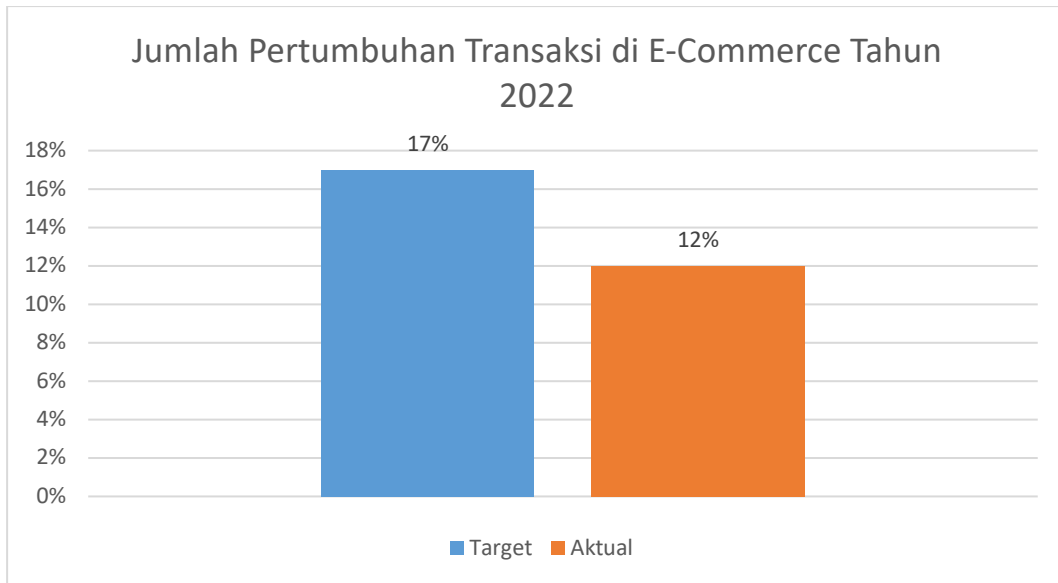


Figure 1. Total Transaction Growth in E-Commerce in 2022
(Source: Bank Indonesia)

Based on data released by Populix in Figure 1.3, 46% of people most often use the Tiktok application as a means of shopping which then is Whatsapp with 21%, Facebook Shop and Instagram

shop by 10%, Line shop, Telegram and Pinterest by 1%. Based on these data, this research will use Tiktok shop as a research subject.



Figure 3. Most Percentage of Social Commerce App Usage in 2022
(Source: Populix)

Additionally, the handling costs incurred by users are lower on the TikTok app compared to applications like Tokopedia, Shopee, and Lazada. Furthermore, based on the survey conducted by the e-logistics company Ninja Van on 316 merchants in Indonesia in November 2022, TikTok Shop ranked 1st for shopping applications that utilize live streaming, followed by Shopee. The Gross Market Value (GMV) or transaction value generated by the TikTok app has increased by up to 411%, with the number of orders rising by 564.1% compared to the previous period.

TikTok is a social platform that was launched in 2016. Initially, TikTok was mainly used only in its home country, featuring short 15-second videos. However, since 2018, the use of the TikTok app has spread to many countries, including Indonesia. Currently, users can create and edit video clips on TikTok with effects, filters, and music, with durations exceeding 1 minute. According to the We Are Social report, Indonesia has the largest number of active TikTok users in the world as of 2022. The country boasts around 99.1 million active TikTok users, with these users spending an average of 23.1 hours per month on the TikTok app.

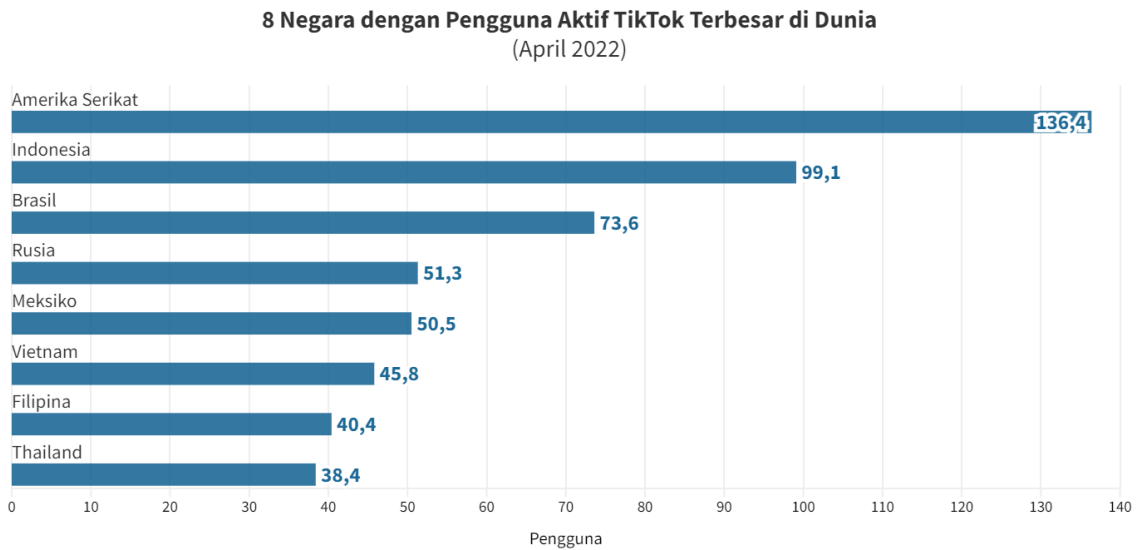


Figure 4. Data 8 Countries With The Largest Active Users Of Tiktok In The World
(Source: We Are Social)

Based on the status report of digital literacy in Indonesia, Tiktok users in 2020 amounted to only 17% and then increased to 30% in 2021 and then

increased to 40% in 2022. According to data from Databoks, 35% of the number of Tiktok users are aged 20-29 years and 28% are aged 10-19 years.

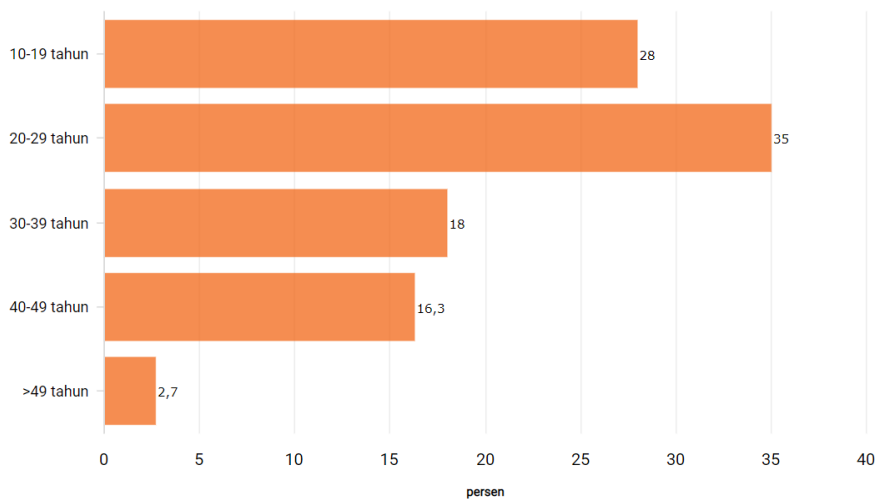


Figure 5. Ages of Global Tiktok Users
(Source: databoks.katadata.co.id)

Since April 2021, TikTok has evolved from being a platform solely for creative video content to a platform that offers buying and selling experiences

through its TikTok Shop feature, which includes live streaming and linking products within short videos. According to a study by (Sa'adah et al., n.d.),

Generation Z has shown a considerable interest in utilizing the TikTok Shop feature, making TikTok an app for conducting online shopping transactions (Sa'adah et al., n.d.). Some micro, small, and medium-sized enterprises (MSMEs) that sell products through live streaming have reported higher revenues using TikTok Shop than by marketing through traditional e-commerce platforms. Based on research conducted by Agus Supriyanto et al., sales for MSMEs in Kudus during May, June, and July 2022 were higher on TikTok Shop than on Shopee, with a sales ratio of 3:1 (Supriyanto et al., 2023).

The widespread use of the TikTok app, its potential for high virality, creativity, and communication, presents a promising opportunity for businesses. Business owners are encouraged to create creative, viral, and interactive sales content, utilizing short videos and live streaming, along with music and filters, to engage TikTok users. Several successful business brands that have harnessed TikTok's image include Noera by Reisha, Somethinc, scarlett whitening, and others.

However, as technology advances, there is a possibility of undesired occurrences, such as data breaches. According to CNBC news in 2020, several e-commerce platforms experienced data breaches. Not only were buyer accounts compromised, but data from 7 million seller/merchant accounts were also hacked and sold on the dark web. Other e-commerce applications have faced similar incidents, resulting in the compromise of 13 million records that were subsequently traded. Commonly breached data in e-commerce applications includes users' personal information, encompassing seller

personal data and financial-related information. These data breaches pose risks where unauthorized parties may use seller accounts and data to deceive potential buyers, misrepresenting a brand, which can ultimately harm the sellers. Consequently, maintaining user trust, especially among sellers, becomes crucial for both e-commerce and social commerce platforms.

Given these considerations, further research on the impact of brand image, trust, and purchasing decisions of customers on TikTok, particularly on TikTok Shop, is essential. Thus, this study is titled "THE INFLUENCE OF BRAND IMAGE AND TRUST ON PURCHASE DECISIONS IN TIKTOK SHOP."

THEORETICAL FOUNDATIONS

Marketing

According to Kotler and Keller (2016), marketing management is an art and science of selecting target markets and developing customers by conveying and communicating customer value. Socially, the goal of marketing management is an individual and group process of obtaining what they need through the offering and exchange of products and services that have value with others.

Brand Image

As per Kotler, brand image is the perception in customers' minds regarding the attributes, benefits, beliefs, and experiences associated with the brand. According to Keller, brand image is the customers' evaluation of the good and bad aspects of a perceived and remembered brand. A positive brand image can enhance customer loyalty towards a brand. Based on these

definitions, it is evident that a brand is evaluated more favorably when rooted in customer experiences. Keller's indicators of brand image include brand awareness, brand associations, perceived quality, brand relevance, brand enjoyment, brand personality, brand attachment, and brand commitment.

Trust

Trust is essential when engaging in online buying and selling transactions since consumers cannot directly touch or see the desired products in the online purchasing process. Thus, trust is a critical foundation for online transactions (Andini, n.d.). Trust is a condition where someone has a belief in relying on others, based on their situation and social context (Andini, n.d.). When making decisions, individuals tend to follow the advice of trusted individuals over those who aren't trusted. According to Mayer, trust has several indicators, including ability, benevolence, and integrity.

TikTok Shop

TikTok is an app that was initially launched as Douyin in 2016 by entrepreneur Zhang Yiming. TikTok is a platform that allows users to create videos synchronized with desired music and filters. The content on TikTok initially consisted of entertainment videos with a duration of just 15 seconds. By the end of 2017, TikTok acquired an app called Musical.ly, which provided TikTok with more songs and music that users could optimize. In April 2021, TikTok Indonesia introduced a new feature that allows users to experience buying and selling products within the TikTok app. This feature is called TikTok Shop. Buying and

selling on TikTok Shop can be done through live streaming or by creating video content with product links attached to the video.

Purchasing Decision

According to Kotler and Keller (2016), purchasing decision is a process that has several stages that must be undergone by consumers before making a purchase. The indicators that determine the purchase decision are:

- a. The consumer stage recognizes a brand that matches the desired product
- b. The stage of finding information on advantages and disadvantages related to the desired product
- c. The stage of comparing a brand with other alternative brands
- d. The stage of consumer confidence in a brand to make a purchase transaction
- e. There is a positive impact that consumers feel after buying a certain product or brand.

HYPOTHESES AND CONCEPTUAL FRAMEWORKS

Hypotheses are an important part of a study that must be answered. Hypotheses are presumptions and therefore, researchers need to collect data to prove their conjectures are correct. The hypotheses used in this study are:

The Influence of Brand Image on Purchase Decision

Based on the hypothesis testing conducted by Ulva and Yulia in 2014

regarding the influence of brand image on purchase decisions at PT. Sinar Sosro, it has been proven that brand image has a positive influence on purchase decisions. According to research conducted by Ni Luh Gde Sari Dewi Astuti, I Gde Dirga Surya Arya Widhyadanta, Retno Juwita Sari, it is proven that brand image has an influence on purchase decisions on Lazada. Based on the study by Mohammad Abdul Ghoni, Euis Soliha, there is an influence between brand image and purchase decisions on the Shopee app. Based on the research conducted by Regina Febiola Anjani, Salim Siregar, brand image has a partial influence on purchase decisions.

H1: There is a significant influence between brand image and purchase decision on TikTok Shop.

The Influence of Trust on Purchase Decision

Based on the hypothesis testing conducted by Dede Solihin in 2020 regarding the influence of customer trust on purchase decisions in the Mikaylaku online shop, it is proven that customer trust has a positive and significant influence on purchase

decisions. This proves that the higher the level of customer trust, the higher the purchase decision. Based on the research by Regina Febiola Anjani, Salim Siregar, trust has a partial influence on purchase decisions. Based on the study by Indri Ferdiani Suarna, online trust influences purchase decisions on the TikTok app through live streaming.

H2: There is a significant influence between trust and purchase decisions on TikTok Shop.

The Influence of Brand Image and Trust on Purchase Decision

Based on the hypothesis testing conducted by Regina and Salim regarding the influence of brand image and customer trust on purchase decisions for multivitamin enervon-c products, it is proven that brand image and customer trust simultaneously and significantly influence purchase decisions.

H3: There is a significant influence between brand image and trust on purchase decisions in TikTok Shop.

Based on the results of several previous studies, here is an image of this research model:

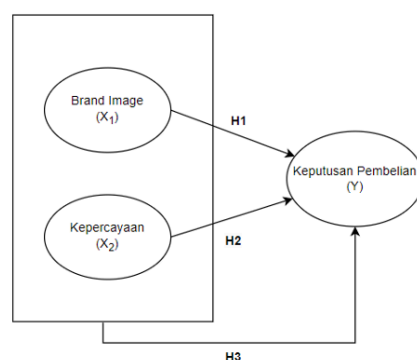


Figure 6. Conceptual Framework

OBJECTS AND METHODS OF RESEARCH

The object of this study is a social commerce application called *Tiktok Shop* which some time ago was stealing a lot of attention from many online shopping application users. This is because there are many interesting methods to make transactions, one of which is *live streaming*. The *live streaming feature* on *Tiktok Shop* allows customers to interact and communicate with sellers directly even with distance limitations. In addition, customers can view and buy goods on product links linked to an entertainment video.

POPULATION AND SAMPLE

In this study, the population used was a group of sellers on Tiktok shops for all categories of goods sold. In this study, the number of population cannot be known with certainty.

Determining the right sample is important in order to produce valid and accurate research. In this study, samples will be taken using purposive sampling techniques by considering the results of previous research, so that samples taken are based on the following criteria: have a Tiktok seller account, have done live streaming to sell or make videos with the yellow basket feature, have received purchases at least once.

DATA COLLECTION

Data collection will be carried out using purposive sampling techniques. The technique chosen is because not all samples have the criteria desired by the author. Data collection will be carried out by distributing questionnaires in the form of google forms to a sample of 98 people obtained from the lemeshow formula.

RESULTS AND DISCUSSION

In today's digital and social media era, platforms like TikTok have become popular places for sellers to promote their products. In this context, brand image (citra/logo) and consumer trust play a very important role in shaping purchasing decisions. Brand image reflects consumers' perceptions of brands and products, while trust is consumers' confidence in brand reliability, quality, and integrity. This study aims to explore the influence of brand image and trust on purchasing decisions on TikTok Shop.

- **Importance of Brand Image:** **Brand** image is an image formed by brand image in the eyes of consumers. In the case of TikTok Shop, brand image includes aspects such as product quality, online store design, interaction with consumers, and promotional style used. A positive brand image can make consumers more interested and trust in the products offered.
- **Trust as the Foundation of Purchasing Decisions:** Consumer trust in brands is a key factor in shaping purchasing decisions. When consumers feel that a brand is reliable and the product is of high quality, they will feel more comfortable to make a purchase.
- **TikTok's Role in Shaping Brand Image:** TikTok as an interactive platform allows sellers to communicate with their audience in creative and unique ways. An attractive promotional video can help build a strong brand image in the minds of consumers.

- **Positive Impact of Trust:** Consumer trust not only results in current purchase decisions, but can also build long-term loyalty. Consumers who are satisfied and trust the brand are likely to return for shopping in the future.

The Importance of Brand Image

Brand image is the perception or mental representation that forms in the minds of consumers when they interact with a brand or product. It encompasses the perceptions, associations, and emotions that arise when someone thinks about that brand. In the case of TikTok Shop, its brand image reflects how consumers perceive and feel about the brand based on their experiences and the information they receive.

The brand image of TikTok Shop can reflect the quality of the products offered. If consumers perceive and feel that the products sold in the shop have a good reputation in terms of quality, durability, and alignment with expectations, they are more likely to feel trust and interest in making purchases.

The design of the online shop is a crucial aspect in shaping brand image. The visual appearance of the shop, product layout, use of colors, and other design elements can convey certain impressions to consumers. If the online shop design on TikTok Shop looks professional, appealing, and easy to navigate, consumers might associate it with a positive brand image.

Positive interactions between TikTok Shop and consumers also play a role in shaping brand image. Quick responses to inquiries, comments, or consumer complaints can enhance a positive perception of the brand.

Consumers tend to feel valued and more comfortable shopping in a place that provides good attention and responsiveness.

The way TikTok Shop promotes its products also affects brand image. If the promotional style used is appealing, creative, and aligns with the preferences of the target market, it can create an impression that the brand is innovative and relevant to current trends.

A positive brand image plays a crucial role in building consumer trust. When consumers see that TikTok Shop has a favorable image, they are more likely to believe that the offered products are of genuine quality and can meet their needs.

A strong and positive brand image can directly impact purchase decisions. Consumers who have a positive perception of the brand will feel more comfortable spending their money on products from that brand, as they have confidence that they will receive the promised value.

In the context of TikTok Shop, brand image is not merely a logo or visual design; it encompasses the entire experience perceived by consumers. Building a positive brand image requires attention to various aspects such as product quality, online shop design, consumer interactions, and promotional style. A good brand image can attract consumer attention, build trust, and ultimately influence their decision to shop at TikTok Shop.

Trust as the Foundation of Purchase Decisions

Trust is at the core of the relationship between consumers and brands. It is the belief that a brand will fulfill its advertised promises and deliver

the expected value. In the context of purchasing, trust plays a crucial role because consumers are more likely to buy from a brand they trust rather than from one they do not.

Purchase decisions are greatly influenced by the level of consumer trust in a brand or product. If consumers have a high level of trust in a brand, they will feel more confident and comfortable making a purchase. Conversely, if trust is low or absent, consumers may hesitate or even avoid making a purchase.

Consumer trust is closely related to their perception of product quality and reliability. When consumers believe that products from a brand are of good quality and dependable, they are more likely to believe that these products will deliver the expected benefits.

Trust helps reduce the perceived risk by consumers in making a purchase. Consumers often experience uncertainty when deciding to buy a product, especially if they have not tried it before. Trust in a brand alleviates this uncertainty by providing the confidence that they will not be disappointed after the purchase.

Built trust can result in stronger customer loyalty. Consumers who are satisfied and trust a brand are more likely to return for repeat purchases, even becoming loyal advocates for the brand. Additionally, they are more likely to recommend the brand to friends and family, which can positively impact business growth.

Trust also influences how consumers perceive the value of a product. If they believe that a product delivers the promised benefits and meets expectations, they will be more willing to pay the asking price.

Trust is the fundamental foundation in shaping purchase decisions. Consumers who trust the quality, reliability, and integrity of a brand will feel more confident in making purchases. Trust helps mitigate risks and uncertainties, forms loyalty, and contributes to a positive brand image in consumers' minds. Therefore, in efforts to boost sales and business growth, building consumer trust should be a top priority.

The Role of Tiktok in Shaping Brand Image

TikTok is a video-based platform, which allows brands to reveal their identity visually and creatively. By creating engaging and entertaining promotional videos, brands can communicate their message, values, and style to potential audiences. His videos can help create a clear visualization of the brand image in the minds of consumers.

TikTok is known as a platform that encourages creativity and originality. Brands can use trends, challenges, and popular music to convey their brand message in unique and engaging ways. This helps brands to stand out amidst diverse content on those platforms.

TikTok allows direct interaction between brands and consumers through comments, likes, and the use of live streaming features. Brands can quickly respond to questions, feedback, or comments from users, which can enhance the brand image as a caring and responsive brand to customers.

In TikTok videos, brands can showcase the human side of their business. Brands can share the story behind the product, showcase their

team, or show the process of creating the product. It helps in humanizing the brand and forming an emotional connection with consumers, which in turn affects the brand image.

TikTok is a platform that often reflects popular trends and values. Brands can follow trends relevant to their industry and convey values that resonate with TikTok's audience. This helps brands to stay relevant and be able to connect with a wider audience.

By creating engaging videos and sharing relevant content, brands can raise awareness about their presence on the TikTok platform. This helps the brand to be recognized by potential customers and builds strong brand recall.

TikTok allows brands to better segment and target specific audiences. Thus, brands can convey a more appropriate and relevant message to the right audience, which can form a positive image in the eyes of the desired consumer.

TikTok has an important role in shaping brand image because it allows brands to creatively interact with audiences through videos. Through engaging content, direct interaction, and creativity shown on this platform, brands can build a brand image that is positive, relevant, and can connect with a wider audience.

The Positive Impact of Trust

Consumers have a direct impact on purchasing decisions today. Consumers who believe in brands tend to feel more comfortable and confident about making a purchase, because they have confidence that the product or service purchased will provide the expected benefits.

Well-established trust between consumers and brands can help in building long-term loyalty. Consumers who are satisfied with their experience and trust that the brand will be consistent in delivering good quality and value are likely to stay loyal and return for future shopping.

In situations where consumers have strong trust in the brand, the buying process becomes less complicated. They don't have to feel worried or hesitant because they believe that the brand will live up to their expectations. This reduces feelings of tension or stress that may occur during the purchase.

Consumers are often faced with a large selection of products in a competitive market. The trust that exists in the brand can serve as a guide that assists consumers in choosing the product that best suits their needs. They are more likely to choose a brand they have trusted before than to try a brand they are not yet familiar with.

Consumers who are satisfied with a brand and believe in its products are more likely to refer the brand to their friends, family, or associates. They feel comfortable recommending brands they trust, which can positively impact business growth through word-of-mouth and recommendations.

Consumers who have high trust in brands tend to experience lower return rates. Because they believe that the product will meet expectations, the chances of returning or exchanging the product become smaller.

Strong trust can create an emotional attachment between consumers and brands. This is because trust implies that brands care and meet consumer needs well. This emotional

attachment strengthens the relationship and can last for a longer period of time.

Consumer trust not only influences current purchasing decisions, but also has a broader impact in shaping long-term loyalties, recommendations, and emotional attachments. Building and maintaining trust is an important investment in building a good relationship between brands and consumers and supporting long-term business growth.

CONCLUSION

This research underscores the importance of brand image and trust in the context of purchase decisions on TikTok Shop. A positive brand image contributes to increased consumer confidence, which ultimately influences their decision to make a purchase. Therefore, sellers on TikTok Shop need to pay attention to how they build a positive brand image and strengthen the level of consumer trust through good interactions and consistent product quality.

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