

## **Analysis of the Influence of Interactive Communication, Consumer Preferences, and Promotional Effectiveness on Purchasing Decisions on the Shopee Live Streaming Feature**

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### **Abstract**

With the popularity of the live streaming feature as a marketing strategy, there is a need to understand in more depth how factors such as Interactive Communication, Consumer Preferences, and Promotional Effectiveness influence consumer purchasing decisions in the context of using Shopee's live streaming feature. It is important to understand how direct interactions between sellers and consumers via live broadcasts influence consumer perceptions of products or services, as well as the extent to which consumer preferences and promotional effectiveness can influence consumer purchase intentions through these features. In this case the researcher uses quantitative research with a comparative causal type because it discusses the cause-and-effect relationship of two or more variables, namely the influence of independent variables in the form of interactive communication, consumer preferences, and online promotions on the dependent variable, namely purchasing decisions with Shopee's live streaming feature. as the object. With Interactive Communication results are related to purchasing decisions because the T statistics value is above 1.96 and the p value is below 0.05 , the consumer preference variable is related to purchasing decisions because the T statistics value is above 1.96 and the p value is below 0.05 . However, the promotion effectiveness variable is not related to purchasing decisions because the T statistics value is below 1.96 and the p value is above 0.05. Streamers or sellers can increase interaction with customers, pay attention to their preferences, and don't just focus on promotions to attract customers.

**Keyword:** Interactive Communication; Consumer Preferences; Promotional Effectiveness; Purchasing Decisions; Shopee Live Streaming

## 1. Introduction

Indonesia, a country with more than 270 million people, is one of the largest markets in Southeast Asia. With advances in technology and the increasingly widespread spread of the internet, the business environment in Indonesia has experienced significant changes in recent years. One of the most striking changes is the emergence of e-commerce platforms which have changed the way people shop, sell and do business overall.

Based on data provided by the Indonesian E-Commerce Association (idEA), the growth of e-commerce in Indonesia has experienced a tremendous increase. In 2020, the total value of e-commerce transactions reached more than 100 billion US dollars, a significant increase compared to previous years. This increase was partly caused by the Covid-19 pandemic that hit the world in 2020, when the virus began to spread in Indonesia in March. People are advised to practice social distancing and stay at home, resulting in several companies in Indonesia implementing a work from home system to limit the spread of the virus. Many shops and restaurants were also forced to close due to the lack of buyers, so people turned to e-commerce as their main shopping platform during the pandemic. In addition, the number of internet users in Indonesia continues to increase, with more than 175 million people connected to the internet in 2020 according to data from the Central Statistics Agency (BPS).

One of the key factors in the growth of e-commerce in Indonesia is the rapid adoption of mobile devices. According to data from We Are Social and Hootsuite in 2020, more than 160 million people in Indonesia use smartphones, making access to e-commerce platforms easier. This opens up opportunities for sellers and buyers to connect directly through e-commerce applications on their devices.

In the current digital era, e-commerce business has become a rapidly growing economic sector. Technological advances enable e-commerce companies to offer various types of products and services to consumers in innovative ways. One innovation that is increasingly popular in e-commerce is the live streaming feature, which allows sellers to interact directly with potential buyers and show products directly via digital platforms.

Based on research from Populix entitled " Understanding Live Streaming Shopping Ecosystem in Indonesia " in June, it was found that as many as 69% of respondents tend to use the Shopee Live live streaming feature more often compared to 25% who use the TikTok Live feature. Apart from that, Shopee Live is also a live streaming feature that is better known to the public with 60% of total respondents remembering it, while TikTok Live only recorded 30%.

According to data from users of the live streaming platform, Shopee clear dominate the internal market matter amount and value transaction. In case amount transaction, Shopee was successful take notes market share of 56% in six month lastly, which outperformed TikTok Live which only reaches 30%. In case mark transactions, Shopee is also superior with market share of 54%, far goes beyond just TikTok Live owns 31%.

With The popularity of the live streaming feature has become a marketing strategy, then there is need for understand in a way more deep How factors like Communication Interactive, Preferences Consumers, and Effectiveness Promotion influence decision purchase consumer in context use Shopee live streaming feature. Important For understand How interaction direct between sellers and consumers through broadcast direct influence perception consumer to

product or services, as well extent of preference consumers and effectiveness promotion can influence intention buy consumer through feature this.

With explore influence factors this, research This aim for give more understanding \_ deep about dynamics online shopping in context Shopee's live streaming feature, so can help sellers and e-commerce platforms for optimizing use feature the in increase sales and strengthening connection with consumer. Study This expected can give valuable insight for related e-commerce industry with more online marketing and sales strategies effective and responsive to need consumer.

## **2. Literature Review**

### **2.1 Interactive Communication**

Sven Wahlroos defines communication as "any behavior that sends messages that are received by other people" (Deddy Mulyana, 2000). He emphasized that communication occurs both verbally and nonverbally. According to him, if a message is received by another person, either intentionally or unintentionally, then communication is considered to have occurred. Conversely, if no message is received, then communication cannot occur (Sven Wahlroos, 1999). Rogers and D. Lawrence Kincaid (1981) describe communication as a dynamic process where information is exchanged between two or more individuals, leading to a profound mutual comprehension. In contrast, Shannon and Weaver (1949) view communication as a mode of human interaction that impacts each other, whether deliberately or not. They underscore that communication transcends verbal language, encompassing non-verbal cues, art, visuals, and technology (Cangara, 2016).

Interactive communication refers to the process of conveying messages that occurs directly between the communicator and the recipient, either through media channels or face-to-face. Michael L. Hecht (2010) , highlights the importance of interactive communication in building strong interpersonal relationships. According to him, interactive communication facilitates the effective exchange of information and allows active participation from all parties involved. In this process, direct action and response occurs involving two-way interaction, where the message conveyed receives an active response. Interactive nature in this context refers to actions or actions that occur when two or more parties influence or have an effect on each other. In contrast to interpersonal communication, interactive communication can occur between more than one communicator and a large number of communicants.

### **2.2 Consumer Preferences**

Consumer preferences, according to Sumarwan et al. (2012), refers to choices, tendencies, or things that consumers prefer. Rochaeni (2013) explains that consumer preferences are evaluative decisions that involve comparisons between two or more objects. According to the definition of Kotler and Armstrong (2003), consumer preference is a person's tendency towards certain products (goods or services) from a number of available choices. This preference is formed based on consumer perceptions of the product (Munandar et al., 2012). A person has the ability to rank situations or conditions ranging from most favorable to least favorable (Nicholson, 1989).

Consumer preferences have a subjective nature that is measured based on the level of usefulness of the product or service consumed. This theory gives consumers the freedom to provide an assessment of the product or service, without being influenced by income or price.

The ability to purchase a good does not determine consumer preferences. The study of consumer preference theory aims to evaluate consumers' final decisions as a result of their perceptions of products or services, which ultimately influences the purchasing process. Consumers tend to make rational choices by choosing products or services that provide maximum satisfaction by considering their budget constraints (Pindyck and Rubinfeld, 2013).

### **2.3 Promotion Effectiveness**

One way companies use to introduce the advantages of their products and increase sales is through online promotion strategies (Arruan et al., 2020). This promotion is often carried out through various social media platforms such as Facebook, Instagram, Tiktok, and so on. Purchasing online makes it easier for consumers to obtain products without needing to interact directly physically or visit a shop, as well as helping to control marketing costs (Rachma & Fahrurrozirahman, 2022).

According to Saleh & Said (2019: 143), promotions are activities and materials that use unique methods that the manufacturer or seller controls to persuade customers with compelling information about the things being sold, either directly or through intermediaries who affect purchases. According to Alma (2018:184), there are four primary components of promotion: public relations, sales promotion, advertising, and personal selling. By utilizing online promotions, companies can introduce products effectively to potential consumers, thereby attracting their interest in making purchases.

### **2.4 Purchase Decision**

Purchasing decisions are a person's emotional and mental process in selecting, purchasing and using goods and services to fulfill their needs and desires (SastroAtmodjo, 2021). This process involves a series of activities related to satisfying wants and needs, starting from searching, purchasing, using, to evaluating the items that have been obtained (Purboyo et al., 2021).

Consumer decisions are actions taken by consumers in choosing a product that is considered to fulfill their needs and desires (Febrinaz, 2018). According to Kotler & Armstrong (2018: 175), purchasing decisions are part of a much broader purchasing process, which includes understanding post-purchase needs and behavior. Tjiptono (in Effendi & Chandra, 2020) identified five main indicators of purchasing decisions, including:

1. Product selection
2. Choice brand,
3. Choice of place of purchase,
4. Number or quantity of purchases,
5. Time of purchase.

### **2.5 The Influence of Interactive Communication on Purchasing Decisions**

According to Richard L. Daft and Robert H. Lengel (1986), interactive communication plays a central role in shaping consumer perceptions of brands or products. Through interactive communications, consumers can gain more in-depth information about products, discuss experiences with brands, and get direct feedback from manufacturers or other users. Meanwhile, according to Joseph B. Walther (1996), interactive communication via computer

media can influence the intimacy and depth of the relationship between consumers and brands. Thus, interactive communication has a significant influence on the purchasing decision-making process, as it allows consumers to obtain direct information, compare options, and make more informed decisions. In the ever-growing digital era, the role of interactive communication is increasingly important in shaping consumer perceptions of brands and products. Therefore, understanding the role of interactive communication well can provide strategic advantages for companies in building strong relationships with consumers and improving their purchasing decisions.

## **2.6 Influence of Consumer Preferences on Purchasing Decisions**

According to Joseph B. Pine II and James H. Gilmore (1998), consumer preferences play a crucial role in purchasing decisions. When consumers have clear preferences for a particular brand or product, they tend to choose products that match their preferences. Meanwhile, according to Philip Kotler, Gary Armstrong, Veronica Wong, John Saunders (2008), consumer preferences have a significant influence on brand stability, repeat purchases and recommendations to others. Thus, purchasing decisions are directly connected to the extent to which consumer preferences are met by the qualities and attributes presented by the product or brand.

In the process, consumer preferences can be influenced by psychological, social and situational factors which play an important role in shaping consumer perceptions of products. Therefore, carefully understanding consumer preferences can provide strategic advantages for companies in building effective marketing strategies and improving consumer purchasing decisions.

## **2.7 Effect of Effectiveness Promotion of Purchasing Decisions**

According to Philip Kotler and Kevin Lane Keller (2016), effectiveness promotion own impact significant to decision purchase consumer. Through effective promotion, company can increase awareness consumer about product or service they are interesting attention consumer potential, and influence perception consumer to brand. In the view of Shimp and Andrews (2013), smart promotions can play an important role in shaping consumer perceptions of a brand, creating a strong impression, and building long-term brand loyalty. Apart from that, according to Robert J. Dolan (2010), promotion is successful can form attitude positive consumer to brand, which in turn can push decision more purchases big. Therefore that is effectiveness proper and appropriate promotion time is aspect important in influence behavior consumers and decisions purchase them.

With notice importance effectiveness promotion, company must develop appropriate promotional strategies, such as use attractive advertising, marketing valuable content, and placement smart product, this effort will help company for expand their market reach, building awareness strong brand, and strengthen motivation consumer for do purchase. In an increasingly world connected digitally, smart, and innovative promotions become key for achieve and maintain superiority competitive in a crowded market.

## **3. Material and Method**

In this research, researchers used quantitative research methods with a causal type comparative approach, which aims to analyze the cause-and-effect relationship between

independent variables, including interactive communication, consumer preferences, and online promotions, on the dependent variable, namely purchasing decisions via Shopee's live streaming feature as research focus.

According to James T. McClave and Frank H. Dietrich, in the book "Statistics" published in 2001, population is defined as the entire group of people or objects that is the focus of a statistical question. In this research, researchers used all users of the Shopee live streaming feature as population objects.

Meanwhile, according to Richard F. Gunst and Robert L. Mason, in the book "Regression Analysis and Its Application: A Data-Oriented Approach" published in 2006, a sample is defined as a subset of the population that is used to make inferences about the population as a whole. In this research, the sampling technique used quota sampling with a predetermined number of respondents, namely 100 respondents.

### 3.1 Design Study

In the context of this research, independent or independent variables include interactive communication (X1), consumer preferences (X2), and online promotion effectiveness (X3). Meanwhile, the dependent variable is the purchasing decision (Y) which will be explained below :

Variable	Variable Definition	Indicator
Interactive Communication	Interactive Communication is an active information exchange process involving two or more parties to obtain the desired information.	<ul style="list-style-type: none"> <li>a. Engagement rate</li> <li>b. Response Time</li> <li>c. Interaction Frequency</li> <li>d. Response Quality</li> <li>e. User satisfaction</li> </ul>
Consumer Preferences	Consumer preferences are choices or tendencies that consumers have towards certain products or services based on their personal desires.	<ul style="list-style-type: none"> <li>a. Brand</li> <li>b. Price</li> <li>c. Product quality</li> </ul>
Effectiveness of Online Promotions	The effectiveness of online promotions is the ability of marketing campaigns carried out online to achieve certain goals in an efficient and successful manner.	<ul style="list-style-type: none"> <li>a. Sales level</li> <li>b. Advertising</li> <li>c. Public relations</li> <li>d. Digital Marketing</li> </ul>

Buying decision	A purchasing decision is a mental and physical process in which a consumer selects a particular product or service from various options available in the market.	<ul style="list-style-type: none"> <li>a. Product Type Decision</li> <li>b. Product Quality Decisions</li> <li>c. Consumer Preference Decisions</li> <li>d. Decisions are the result of other people's reviews.</li> </ul>
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Sugiyono (2016:308) emphasizes that one of the crucial steps in the research process is the use of data collection techniques, because the essence of research is obtaining data. Without implementing effective data collection techniques, researchers will not be able to obtain data that meets established standards. In this research, a survey method was used by distributing questionnaires to respondents in order to collect accurate data. A questionnaire is a set of written questions that have been prepared previously and filled in by the respondent, often with clearly defined answer choices (Sekaran, 2006, 82).

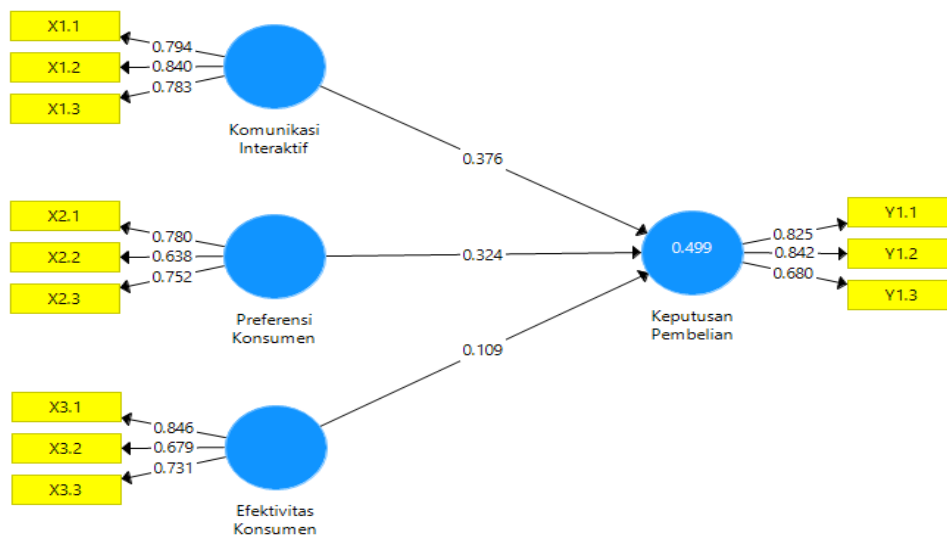
*Data Analysis Measurement Criteria Questionnaire*

Criteria	Score
Strongly Agree (SS)	5
Agree (S)	4
Doubtful	3
Disagree (TS )	2
Strongly Disagree ( STS)	1

### 3.2 Data Analysis

In this research, the data analysis technique uses SmartPLS 3.0. SmartPLS is a multivariate statistical technique that is capable of handling a large number of response and explanatory variables at once. Based on the research focus mentioned previously, the variables that are the center of attention in this research are the independent variable and the dependent variable. The independent variables include Interactive Communication (X1), Consumer Preferences (X2), Online Promotion Effectiveness (X3) which influence Purchase Decisions (Y) on the Shopee live streaming feature.

**Figure 1. Research Model**



Based on the diagram above, the model of the influence of X1, X2, and X3 on Y, where Y is an endogenous latent variable, while X 1 , Each latent variable has an indicator or manifest variable in it , namely X1 consists from indicators X1.1, X1.2, and X1.3. Likewise with the X2 which consists from X2.1 to X2.3. X3 consists from X3.1 to X3.3 and Y consists from Y1.1 to Y1.3.

**4. Result**

**Table 1**  
*Outer Loading Results*

	Effectiveness Consumer	Purchase Decision	Communication Interactive	Preference Consumer
X1.1			0.794	
X1.2			0.840	
X1.3			0.783	
X2.1				0.780
X2.2				0.638
X2.3				0.752
X3.1	0.846			
X3.2	0.679			
X3.3	0.731			
Y1.1		0.825		



Y1.2		0.842		
Y1.3		0.680		

### Reliability and Validity Analysis

**Table 2**  
*Construct Reliability and Validity*

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Effectiveness Consumer	0.710	0.676	0.798	0.570
Purchase Decision	0.704	0.701	0.827	0.617
Communication Interactive	0.732	0.744	0.848	0.650
Preference Consumer	0.550	0.561	0.769	0.527

**Table 3**  
*Outer VIF Values*

	VIF
X1.1	1,491
X1.2	1,459
X1.3	1,398
X2.1	1,194
X2.2	1,094
X2.3	1,241
X3.1	1,274
X3.2	1,214
X3.3	1,238
Y1.1	1,569
Y1.2	1,605

**Table 4**  
**Fit Summary**

	Saturated Model	Estimated Model
<b>SRMR</b>	0.096	0.096
<b>d_ULS</b>	0.723	0.723
<b>d_G</b>	0.268	0.268
<b>Chi-Square</b>	151.914	151.914
<b>NFI</b>	0.634	0.634

**Table 5**  
**Mean, STDEV, T-Values, P-Values**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Result
<b>Effectiveness Promotion -&gt; Purchase Decision</b>	0.109	0.107	0.095	1,148	<b>0.252</b>	<b>REJECTED</b>
<b>Communication Interactive -&gt; Purchase Decision</b>	0.376	0.382	0.096	3,910	<b>0,000</b>	<b>ACCEPTED</b>
<b>Preference Consumer -&gt; Purchase Decision</b>	0.324	0.327	0.102	3,164	<b>0.002</b>	<b>ACCEPTED</b>

## 5. Discussion

Based on, Outer loading result there are three data that have value  $< 0.7$ , namely variable X2.2 data Preference consumer, X3.2 variable Effectiveness Consumer, and Y1.3 variables decision purchase, so can said these three data invalid or no role effective in the measurement model that.

Based On, *Construct Reliability and Validity* results, the data show lower there is one Cronbach alpha data that has value  $< 0.7$  so can said the data unreliable. Meanwhile, in Rhoa there are two invalid data. However, in composite reliability data ( $> 0.7$ ) and average variance extracted (AVE) ( $> 0.5$ ) all the data can said to be valid.

Based on, Outer VIF Value, the data show all the data is at a value  $< 5$ , so no there is problem significant multicollinearity in the outer model level. And based on, Fit summary, Data on research This can said fulfil conformity test criteria because of the SRMR data own number not enough from 0.1.

Based on Mean, STDEV, T-Values, P-Values in relationship variable hypothesis, From the data, is known that :

- H 1 : Communication Interactive relate with decision purchase Because The t value is above 1.96 and the p value is below 0.05
- H 2 : Preference consumer relate with decision purchase Because The t value is above 1.96 and the p value is below 0.05
- H 3: Effectiveness promotion No relate with decision purchase Because The t value is below 1.96 and the p value is above 0.05

## **6. Conclusion, Implication, and Recommendation**

Communication interactive own influence to decision purchase on the shopee live streaming feature shown with a t value of  $3.910 > 1.96$  and a p value of  $0.000 < 0.05$ . With So, sellers use it shopee live streaming feature This as one place for selling must can maximizing communication interactive between sellers and buyers to be able reach level desired purchase. Preference consumer relate with decision purchases on the Shopee live streaming feature Because The t value is  $3.164 > 1.96$  and the p value is below  $0.002 < 0.05$ . Streamers on the Shopee live streaming feature must also be aware of whatever related matters \_ preference consumer like case price and quality product for can interesting buyer For do purchase. Effectiveness promotion to decision purchase stated No own influence One each other because based on results discussion of the t value is  $1.148 < 1.96$  and the p value is  $0.252 > 0.05$ . Therefore that, at the moment use shopee live streaming feature, seller Don't only focused on promotion simply and even must notice other related factors direct with decision customer purchases.

The streamers or seller can increase interaction with customers, pay attention what to be preference them, and don't only focused on promotion just for interesting customer. For researchers next, in study this indicators for each variable yet widespread so that need expansion of indicators for each variable for find results more research newest and useful

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