Factors Influencing E-commerce Live-streaming Shopping Customers’ Purchase Intention in Malaysia: A Conceptual Paper

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Abstract: For fewer than a decade, live-streaming shopping (LSS) has been gradually expanding in Malaysia. LSS also known as live video shopping, enables real-time interaction between customers and online merchants. Nevertheless, there is a lack of thorough study on the elements influencing customers’ purchase intention, and the scope of a comprehensive framework is still restricted. This research aims to look at how Malaysian customers’ purchase intentions are affected by the e-commerce LSS features (product quality, product price, sales promotion, professionalism, interactivity, and entertainment). Additionally, this research will also examine whether customers’ trust acts as a mediating variable between e-commerce LSS features and customers’ purchase intention based on the Stimulus-Organism-Response (S-O-R) model. A questionnaire will be utilised in a quantitative research method to gather primary data from Malaysian online customers who have made purchases from LSS and are between the ages of 18 and 59. Statistical Package for Social Science (SPSS) and Partial Least Squares Structural Equation Modelling (PLS-SEM) will be utilised to analyse the data that has been obtained. It is anticipated that the research’s findings will demonstrate that e-commerce LSS features will boost customers’ purchase intention and that this relationship will be mediated by customers’ trust. In addition, this research will have implications for live-streamers, online merchants, and policymakers who aim to target LSS in Malaysia by providing strategies for satisfying customers’ requirements and demands in terms of merchandises and services. Besides that, this research will add to the body of knowledge available to scholars in the future who are interested in this field.

Keywords: live-streaming shopping, customers’ trust, customers’ purchase intention, quantitative study, Stimulus-Organism-Response (S-O-R) model

1. Introduction

In a period of exponential technological growth and globalization, the Internet is vital for communication and information [1]. Internet utilization is efficient, practical, and convenient for information, transactions, services, and merchandises [2]. Technological advancements have facilitated the emergence of e-commerce, and its platforms have streamlined worldwide enterprises [3]. Online purchasing with live-streaming is the future of e-commerce [4]. Live video shopping simplifies real-time communication between customers and online merchants.
Malaysia has 29.55 million Internet users and the second-highest Internet penetration rate in Southeast Asia at 89.6% in 2022 [5]. E-commerce is popular due to rapid Internet and smartphone utilization. The International Trade Administration [6] reported that 16.29 million Malaysians, or 82.9% of the population, regularly purchased online in Malaysia in 2018. In Malaysia, there were 13.67 million e-commerce users in 2024 [7]. Mobile shopping is popular with 68.4% of Malaysian Internet users, according to Lau [8]. This made Malaysia the second-highest e-commerce nation in Southeast in 2018 [9]. The Malaysian e-commerce industry was expected to be worth $8.75 billion by 2023. By 2027, volume is expected to reach $14.40 billion, a 13.62% compound annual growth rate (CAGR 2023-2027) [10]. After Lazada introduced virtual LSS features to its mobile app in 2018 [11], Shopee and Zalora followed in 2019 and 2021, respectively, making LSS more popular in Malaysia. Statista [12] reported that 56% of Malaysians utilised LSS to complete a transaction in 2021. Most live-streaming viewers are 32 and watch regularly [13]. LSS is a new phenomenon that is just starting to grow. Given the market’s growth, it’s essential to comprehend Malaysian LSS customers’ purchase intention.

This research identifies four theoretical problems. First, prior research has identified the factors that affect Chinese e-commerce LSS customers’ purchase intention [14]. Lin et al., [15] discovered that LSS adoption varies by nation. Malaysia employs little LSS research and is still in its infancy [16]. The research illuminates the gap. Second, product quality [17], product price [18], sales promotion [19] affect customers’ purchase intention. These investigations concentrate on conventional or general online shopping. In Malaysian LSS, the link among customers’ purchase intention, product quality, product price, and sales promotion is limited. Malaysian LSS research on professionalism, interactivity, and entertainment is insufficient. Consequently, this research examines the link among LSS customers’ purchase intention and professionalism, interactivity, and entertainment as independent variables. Third, few studies have applied the S-O-R model to the Malaysian LSS scenario to discover how environmental stimuli that influence their customers’ purchase intentions are mediated via their cognitive and affective reactions. Many academic institutions in China and Vietnam employed the S-O-R model for e-commerce LSS [20]. Malaysian LSS rarely utilise the S-O-R model. This research fills the gap by presenting up-to-date information and demonstrating how the S-O-R model operates in the Malaysian LSS. Lastly, In the scenario of e-commerce, customers’ trust is viewed as an emotional state [21]. The mediating relationship between customers’ trust among e-commerce LSS features and customers’ purchase intention in Malaysia has not received much attention, despite the fact that customers’ trust is a significant component in their customers’ purchase behaviour [22]. To cover this gap, this research determines whether or not customers’ trust mediates these relationships.

This research highlights various practical problems. The Covid-19 pandemic has made many physical enterprises online, resulting in heightened LSS competition. This led to a competitive live-streaming atmosphere. Customers may easily switch online merchants since the browser makes it easier to find discounts, offers, and prices to get precisely what they want. Online merchants must increase customer purchases and loyalty in a competitive industry. Online merchants must stand out to succeed. Creating a fun live-streaming environment, offering better merchandises and services, and engaging with customers and marketing creatively.

The research intends to investigate the relationship between e-commerce LSS features (product quality, product price, sales promotion, professionalism, interactivity, and entertainment) affecting customers’ purchase intentions, as well as whether customers’ trust mediates the relationship between e-commerce LSS features and customers’ purchase intention.
2. Model Related to the Study

2.1. Stimulus-Organism-Response (S-O-R)

This research’s theoretical underpinning is the Stimulus-Organism-Response (S-O-R) model constructed by Mehrabian and Russell in 1974 [23]. This model illustrates how environmental stimuli (S) affect an individual’s subjective state (O), which in turn causes behavioural reactions (R). The stimulus (S), an independent variable, shows how the external environment affects customers’ perceptions of merchandises or services. Russell et al., [24] studied how a real retail shop’s non-visual and visual ambiance affects customers’ attitudes and behaviours. The organism construct, representing an individual’s internal state, follows the S-O-R model. An individual’s perceptions of sensation and emotions are the main indicator of environmental stimuli and their ability to think through their reactions. The response denotes the behavioural intentions towards a situation and emotional state that impact the S-O-R model directly or indirectly [25]. Mehrabian and Russell’s model has been widely acknowledged in customers’ behaviour and marketing literature. The S-O-R model began in conventional stores. Nevertheless, it has recently been extended to e-servicescape [26]. The S-O-R model states that environmental stimulus causes internal emotions (organism), which result in behaviour (response).

3. Literature Review and Hypotheses Development

3.1. Product Quality (PQ)

Kotler and Armstrong [27] provided a definition of product quality as the ability of customers to utilise, consume, acquire, or contemplate merchandise to fulfill a need or want. Conformity, features, durability, reliability, serviceability, perceived quality, aesthetics, and performance are Kotler and Keller’s eight product quality criteria. Customers perceive merchandise as risky and untrustworthy due to their inability to physically interact with them [28]. Due to apprehension that the merchandises may not meet their expectations. To entice customers to purchase, it is vital to furnish comprehensive merchandise details. Product quality is one of the most substantial components in determining customers’ trust and purchase intention [29]. Omenazu [30] discovered that the trust of online customers in Malaysia towards merchandises increase as the quality of those merchandises improves. Customer’s perception of quality can have an impact on their decision to purchase motorcycles from Malaysian manufacturers. Several studies have observed both conventional and online shopping. This research utilises an assessment to ascertain how product quality influences Malaysian LSS customers’ trust and customers’ purchase intention:

H1a: Product quality has a positive significant relationship with customers’ purchase intention
H1b: Product quality has a positive significant relationship with customers’ trust

3.2. Product Price (PP)

According to Kotler and Keller [31], product price refers to the overall cost that customers incur in order to obtain the advantages of owning or utilising a particular merchandise or service. Pricing encompasses factors such as competitor price, discounted price, fair price, affordable price, and price suitability. Customers’ purchasing decisions are increasingly influenced by the price of products when they shop online [32]. Malaysians exhibit price sensitivity and are inclined to compare prices on an online marketplace. Online customers perceive merchandise to have more affordable prices compared to conventional stores, as indicated by studies conducted by [33]. The prices of online and conventional merchandises can be readily compared [34]. According to Wang et al., [35], the pricing of merchandise is a key factor that indicates the level of trust customers have in Chinese live-
streaming rooms. In their study, Lee and Chen [36] observed that affordable selling prices and customers’ purchase intentions are strongly correlated in Chinese live-streaming commerce. Usmandani and Darwanto [37] asserted that price perception does not affect purchase intention. Therefore, product price utilised as an independent variable to examine the impact of the product price on customers’ trust and purchase intention in the Malaysia LSS scenario:

H2a: Product price has a positive significant relationship with customers’ purchase intention
H2b: Product price has a positive significant relationship with customers’ trust

3.3. Sales Promotion (SP)

Sales promotion encompasses strategies that extend beyond the realms of publicity, advertising, and personal selling, intending to convince customers to purchase [38]. Discounts, coupons, rebates, and lottery winnings enhance the worth of merchandise. Additional factors in sales promotion, including price reductions, price packs, and coupons. Malaysians exhibit a higher degree of price sensitivity compared to other Southeast Asians due to their active pursuit of promotional offers. The aforementioned studies have observed that sales promotions have a beneficial effect on customers’ trust in conventional shopping, as demonstrated by [39]. Sales promotion in social media live-streaming boosts online trust [40]. No breakthroughs have been achieved in the field of e-commerce LSS, where sales promotion is linked to customers’ trust. Customers’ propensity to purchase is substantially positively impacted by sales promotion [41]. Khan et al., [42] observed that the implementation of coupons, price reductions, and buy one get one free lead to an increase in customers’ purchase behaviour. No correlation exists between free samples and bonus packs and customer purchase behaviour. Thus, it’s imperative for Malaysia to analyse how sales promotion affects customers’ trust and customers’ purchase intention.

H3a: Sales promotion has a positive significant relationship with customers’ purchase intention
H3b: Sales promotion has a positive significant relationship with customers’ trust

3.4. Professionalism (P)

“The extent to which it can provide correct information” is how Bristol [43] defined professionalism. “The professionalism of information providers will directly affect the persuasiveness of information” [44]. Huang and Chen [45] proposed multiple definitions of professionalism, such as “authoritativeness” “competence”, and “expertness”. The host’s professionalism encompasses their expertise, ability to convey information, interpersonal competencies, live-streaming proficiency, sales techniques, and authenticity [46]. Customers assess the dependability of merchandises during live-shopping events by considering the level of professionalism. Thus, the level of professionalism exhibited by live-streamers directly impacts the effectiveness of information delivery to customers. The customers’ perception of the professionalism of live-streamers will increase. Trust between online merchants and customers is crucial as e-commerce can not serve as a substitute for face-to-face interaction [47]. Professionalism increases customers’ trust in online influencers and Chinese LSS purchases. No connection between professionalism and purchase intention in Malaysia. Nonetheless, professionalism and customers’ propensity to purchase are highly associated. It is vital to examine whether professionalism has a significant or non-significant impact on customers’ trust and customers’ purchase intention in the Malaysian LSS scenario:

H4a: Professionalism has a positive significant relationship with customers’ purchase intention
H4b: Professionalism has a positive significant relationship with customers’ trust
3.5. Interactivity (I)

Interactivity is characterised by the intensity and depth of communication between two individuals. Effective online communication relies on the level of interaction between customers, enabling them to exchange information [48]. Online shopping risk is heightened by the absence of direct interaction between online merchants and customers. Customer–live-streamers relationship benefits greatly from interaction as it enhances communication [49]. LSS has effectively resolved the issue [50]. Real-time media pushes customers and live-streamers to engage in pro-social interactions by emphasizing the safety and reliability of the promoted product information. As per the study, conducted by Hu et al., [51], this factor plays a significant role in customers’ preference for live-streaming purchases over conventional Internet purchasing. Regarding LSS, real-time interaction components of live-streaming commerce contribute to the development of customers’ trust. Purchase intention is not substantially correlated with interactivity, according to Zhong et al.,’s [52] research. Song and Liu [53] discovered variations in the association between interactivity and purchase intention. The result indicated a strong relationship between interactivity and purchase intention. Furthermore, a dearth of research has investigated the impact of perceived interactivity as an independent variable on customer behaviour regarding live-stream commerce [54]. Thus, it’s imperative to consider interactivity as an independent variable while investigating the correlation between customers’ trust and customers’ purchase intention in Malaysian LSS:

H5a: Interactivity has a positive significant relationship with customers’ purchase intention
H5b: Interactivity has a positive significant relationship with customers’ trust

3.6. Entertainment (E)

According to Bosshart and Hellmüller [55], entertainment encompasses activities that are enjoyable, thrilling, soothing, and distracting. The psychological satisfaction that customers experience when watching live-streaming is referred to as entertainment. Customers commonly utilise media to decompress and have fun [56]. Yunwei [57] suggested that in today’s market, customers prioritize the enjoyment of shopping over factors such as quality and affordable prices. As stated by Setiawan and Brilian [58], entertainment is any activity in which the audience assumes a passive role, aiming to bring joy and relaxation to others. Customers will find joy in watching the merchandises showcased by live-streamers during their live-streaming. Ma et al., [59] suggested that incorporating entertaining and interactive elements, such as lottery drawings, buy-one-get-one-free promotions, flash sales, and auctions that can assist in live-streaming maintain patrons’ interest and avoid boredom. Liu et al.,’s [60] research indicated that entertainment positively affects customers’ trust. To gain the trust of their audience, live-streamers should thus enhance their interactions with customers while simultaneously creating a lighthearted and engaging LSS environment. Nevertheless, the presence of entertainment doesn’t beneficial effect on customers’ purchase intention. A distinct association between entertainment and purchase intention in Malaysia. The findings showed a favourable relationship between entertainment and customer purchase intention. Therefore, it’s essential to ascertain if entertainment affects customers’ trust and customers’ purchase intention:

H6a: Entertainment has a positive significant relationship with customers’ purchase intention
H6b: Entertainment has a positive significant relationship with customers’ trust

3.7. Customers’ Purchase Intention (CPI)

As stated by Shah et al., [61], “purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer” (p. 107). The likelihood of a customer completing a transaction may be increased by their purchase intention. There are six steps that customers typically go through before making a purchase: awareness, knowledge, interest, preference, persuasion, and
purchase. In the scenario of live-streaming, customers who are keen to purchase specific merchandises or services through the LSS platform are referred to as having purchase intention [62]. Customers’ likelihood of participating in LSS is closely linked to their intention to make a purchase, according to Song et al., [63]. Product quality [64], product price [65], sales promotion [66], professionalism [67], interactivity [68], and entertainment [69] have all been discovered to be substantially correlated with customers’ purchase intention. These studies focus on conventional or online shopping, and few research explore the variables influencing Malaysian LSS. Thus, there is still a gap in Malaysia’s implementation of a comprehensive framework for LSS:

H7: Customers’ trust has a positive significant relationship with customers’ purchase intention

3.8. Customers’ Trust (CT)

“Trust” corresponds to a generalised belief that individuals will behave ethically and sensibly in interactions, rather than taking advantage of the situation [70]. Trust in e-commerce is established when individuals or objects are perceived as competent, honest, fair, kind, and possess other desirable attributes [71]. Customers’ trust in e-commerce live-streamers and the merchandises they recommend plays a crucial role in determining their level of trust. Customers perceive online merchants and live-streamers are reliable, according to Tingxiu et al., [72] which defines trust. Customers consider purchasing merchandises through e-commerce live-streaming won’t compromise their interest and that the information they get about the merchandise is reliable and truthful. Customers’ trust in e-commerce encompasses salespeople, merchandises, online merchants, businesses, and platforms [73]. Liu et al., [74] claimed that the majority of these live-streaming commerce entities are adaptations of s-commerce entities. The research focuses on measuring customers’ trust in both the merchandises and the online merchants or live-streamers. The level of trust that customers have greatly influences their likelihood to make a purchase. Prior research in the LSS [75] was shown to be in agreement with these findings. Research has shown a substantial correlation between trust and the following: product quality[76], product price [77], sales promotion [78], professionalism [79], interactivity [80], and entertainment [81].

Customers’ trust is seen as an organism, as suggested by an array of authors [82]. As far as the researchers are aware, no previous research conducted in Malaysia has looked at the mediating role that customers’ trust plays in the relationship between e-commerce LSS features (product quality, product price, sales promotion, professionalism, interactivity, entertainment) of e-commerce and the purchase intentions of customers in the LSS scenario. Therefore, in the scenario of Malaysia, this research examines how customers’ trust functions as a mediator variable in the link between e-commerce features and customers’ purchase intention.

H8a: Customers’ trust mediates the relationship between product quality and customers’ purchase intention

H8b: Customers’ trust mediates the relationship between product price and customers’ purchase intention

H8c: Customers’ trust mediates the relationship between sales promotion and customers’ purchase intention

H8d: Customers’ trust mediates the relationship between professionalism and customers’ purchase intention

H8e: Customers’ trust mediates the relationship between interactivity and customers’ purchase intention

H8f: Customers’ trust mediates the relationship between entertainment and customers’ purchase intention
4. Conceptual Framework

The research framework shown in Figure 1.1 is based on the Stimulus-Organism-Response (S-O-R) model, which was developed in the field of environmental psychology. In this research, e-commerce LSS features were chosen to evaluate contextual and environmental stimuli (S), which include product quality, product price, sales promotion, professionalism, interactivity, and entertainment. Customers’ trust was selected to determine live-streaming customers’ internal states (O), and live-streaming customers’ purchase intention was picked to analyze their response (R).

![Research Framework based on the S-O-R Model](source: Author)

5. Research Methodology

To assess the factors influencing customers’ purchase intention in Malaysian e-commerce LSS features, this research utilises a quantitative research method. This is because it concentrates on statistics and numerical data, enabling researchers to test hypotheses, which are mostly presented in the form of graphs and numbers. A bigger sample size is necessary, after which the data are subjected to mathematical and statistical analysis [83].

Measuring purchasing intention makes it easier to determine respondent attributes, descriptive and causal research is utilised for this research. It is not appropriate for this research to employ exploratory research since it does not call for novel theories or notions. Utilising a causal research approach is the most effective way to accomplish the research’s objective of looking at the cause-and-effect link between the independent and dependent variables. The present research investigates the causal relationship between several factors such as product quality, product price, sales promotion, professionalism, interactivity, entertainment, customers’ trust, and customers’ purchase intention in LSS.

The research focuses on online customers in Malaysia, aged 18 to 59, with experience in e-commerce LSS. This group is chosen due to their ability to generate income and therefore have greater purchasing power on LSS. Vehovar et al., [84] stated that non-probability sampling is employed in this research due to the uncertainty and unpredictability of selecting each unit. Convenience sampling
is specifically chosen for this research because of its ability to efficiently reach the desired population, resulting in time and cost savings [85].

The primary data collection method for gathering data is utilised. The self-administered questionnaires will be distributed to Malaysia online customers aged 18 to 59 who have made purchases from LSS utilising Google Forms. Hyperlinks to the questions will be posted on various social media platforms, including Facebook groups and Red (Xiaohongshu).

The data is analysed utilising the SPSS and PLS-SEM. Several cleaning tests are run, including ones for entry error, missing values, elimination of outliers, common method bias, and assessing assumptions for multivariate analysis such as data normality test, multicollinearity analysis, and homoscedasticity test are assessed. To assess the measurement model, individual item reliability, internal consistency reliability, convergent validity, and discriminant validity will be employed. The structural model’s collinearity, path coefficients (β) between the constructs, coefficient of determination (R² value), effect size (f² value), predictive relevance (Q² value), and mediating analysis will be evaluated once reliability and validity have been established.

6. Implications

The well-established body of information on the e-commerce LSS aspects that is comprised of literature and empirical investigations is the focus of this research, not just in Malaysia but also in other developing nations. Due to the relative inexperience of this field of research, there aren’t many empirical investigations in the Malaysian LSS scenario. Besides providing current data, this research shows how the S-O-R model functions in the Malaysian LSS scenario. This research investigates if customers’ trust in Malaysia is a mediator in the connection between e-commerce LSS features and customers’ purchase intention. Thus, future analysts who are interested in this might benefit from this research.

Encouraging and supporting online enterprises, especially those with smaller business sizes in LSS, is the main objective of the research. To boost sales, vendors must understand the factors that influence customers’ purchase intentions through customers’ trust in LSS. By providing high-quality products at competitive prices, prompt delivery, convenience, interaction, and an enjoyable environment, vendors can improve customers’ LSS experiences, increase customer engagement, and ultimately drive more sales. Furthermore, it is critical to develop a unique online LSS that can outperform rivals in the industry and boost sales.

Policymakers benefit from this research by being more equipped to comprehend the factors that influence customers’ purchase intention via customers’ trust, which enables them to play a part in upholding the law in LSS, protecting online customers, and averting fraud. Furthermore, this research gives policymakers the ability to counsel and assist LSS more intelligently. Thus, this will ultimately lead to the growth and development of e-commerce. Despite this, the growth of online retail has raised GDP and created new employment opportunities.

7. Conclusion

The research aims to determine how Malaysian customers’ intentions to purchase are impacted by these e-commerce LSS features. This research also examines the potential role of customers’ trust in the mediating association among e-commerce LSS features and customers’ purchase intention. The statement of the problem that drives the research is emphasised in this conceptual paper, along with the research questions and hypotheses that will be investigated. There is an additional discussion of the S-O-R model. The literature on e-commerce LSS features is also reviewed. The components of the experimentation methodology, survey instruments, and descriptive and inferential findings will be covered in more depth by future researchers who will be produced from this research. In general,
the research will increase understanding of customer behaviour in the scenario of e-commerce LSS platforms and offer academics, online merchants, and policymakers strategies to enhance their merchandises and services.

References


