

Examining the Relationship Between DLSU-M ABM Students' Customer Engagement with Advertisements and Their Purchasing Intention on TikTok

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Abstract: In recent decades, businesses have used online spaces to promote their products, services, and brand image. One such example is TikTok, a video-sharing platform that achieved critical success in 2018 and experienced an influx of users during the pandemic's peak (Geyser, 2021). Thus, the study aims to investigate the relationship between the antecedents of customer engagement and the purchase intention of DLSU-M ABM students on TikTok advertisements. Using a purposive sampling technique, the researchers gathered fifty-five (55) responses from TikTok users studying under the DLSU-M ABM strand. To analyze this data, the study employed a quantitative research design. Two (2) statistical methods, particularly correlation and regression analyses, were utilized to determine the relationships of each variable. The results revealed that integration and social interaction, as well as entertainment, significantly predict customer engagement (CE). Moreso, CE significantly predicts purchase intention. However, it was discovered that among the four independent variables, only entertainment significantly predicts CE. Finally, CE is a full mediator between the antecedents and purchase intention. While these findings suggest that TikTok marketers should prioritize the production of entertaining advertisements, this study may not represent the general population due to the small sample size of respondents.

Keywords: advertisements; antecedents of customer engagement; customer engagement; purchase intention; TikTok

1. INTRODUCTION

1.1. Background of the Study

In recent decades, businesses have used online spaces to promote their products, services, and brand image. This non-traditional type of advertising is called digital marketing. It is more flexible, versatile, and innovative than traditional advertising since advertisers have more technologies and tools to convey their intended message. Digital advertisements can inform, entertain, relate to the customer, and facilitate interaction faster than traditional advertisements. Over the years, market researchers have conducted several studies to assess the influence of advertisements that deliver information, enhance personal identity, offer integration and social interaction, and provide entertainment on the engagement of customers.

Customer engagement (CE) is defined as "the level of a customer's physical, cognitive, and emotional presence in connections with a particular online social platform" (Cheung et al. 2011, p. 3). Liu et al. (2012, as cited in Mei Ling et al., 2018) find that advertisements that convey quality and relevant information to their consumers significantly affect customers' attitudes toward the product and/or service. Meanwhile, Calder et al. (2009) suggest that advertisements



have the potential to recognize and improve personal identity. For example, personal values may be reevaluated and reconsidered. Ads are not always ethically and morally correct; hence, an individual may discover that their principles do not align with a particular brand. Aside from this, Vetter (2022) attests that fostering brand-customer connections will contribute to the likeliness of customers to be more receptive and engage with advertisements. Furthermore, Blanco et al. (2010) found that increased pleasure during computer-mediated media interaction positively affects consumer attitudes.

Aside from these studies, researchers have also examined the relationship between CE and purchase intention. According to Gavilanes et al. (2018), CE is a series of steps that leads toward advocacy or purchase, with each progression indicating a higher level of engagement with the advertisement. Purchase intention refers to a user's willingness to purchase a recommended product (Roudposhti et al., 2018). In addition, Kotler and Keller (2011) assert that purchase intention arises when external forces urge consumers to perform purchase transactions based on their personal characteristics and decision-making process. Therefore, customers are assumed to look at external factors from advertisements that may predict their purchasing intentions.

In essence, the previously mentioned studies affirm that the antecedents of customer engagement generate favorable CE, which influences the purchase intention of consumers. That said, the researchers would like to examine the relationship between the antecedents of customer engagement and purchase intention, specifically on TikTok advertisements. This social media platform has grown in popularity for marketing and advertising. It is a video-sharing platform that achieved critical success in 2018 and experienced an influx of users during the pandemic's peak (Geyser, 2021). Hence, due to its relatively recent establishment, there is a lack of existing literature related to the application. This study opens an opportunity for online companies to determine which among the antecedents of customer engagement, if any, significantly influences an average TikTok user's purchase intention.

A marketing mix is a framework that outlines the different attributes a business must take into account while developing a marketing plan or strategic decisions related to product development, pricing strategies, distribution channels, and promotions (WallStreetMojo, 2022). According to Kenton (2023), a marketing mix involves multiple areas of focus as a component of a comprehensive marketing plan. He added that the term frequently alludes to a classification that initially became known as the four Ps: product, price, placement, and promotion.

These four components are often balanced to create a comprehensive marketing plan that is in line with one's target market and corporate objectives (Studiowide, 2016). They examine how utilizing specific channels can drive sales, aid businesses in conducting analyses, decide the most effective way to position their goods or services to appeal to their target market, add value, and gain a competitive edge (Donlan, 2023).

Social media nowadays usually operate on a specific algorithm. However, these algorithms are typically subject to change over time and due to user interactions (Dogruel et al., 2021, as cited in Siles et al., 2022). TikTok especially is known to have the most "aggressive" and "addictive" algorithm (Siles and Meléndez-Moran, 2021; Schellewald, 2021).

Using TikTok's built-in natural language processing, computer vision, and automated analysis (Kang & Lou 2022), the application can determine a user's weaknesses and preferences and create an algorithm in less than 40 minutes (Lovejoy, 2021, as cited in Kang & Lou, 2022). Thus, TikTok's algorithm is based on consumer preference and behavior. Videos recommended on the FYP page depend on the users' likes, comments, shares, and views. The personalized content on this page helps brands reach their respective target markets (Geyser, 2022). However, geographic region and preferred language may also influence the algorithm (TikDragons, 2020).

Besides advertisements on one's FYP, TikTok also introduced TikTok Shop in August 2021, officially "integrating an e-commerce solution" into the application (TikTok Shop, 2021). The feature allowed for "in-app" shopping, with purchases and transactions occurring within TikTok itself. In such a way, users can explore and buy products without leaving the platform (Locad, 2023). This marketplace offers a wide range of products, comprising industries such as stationery, fashion, cosmetics, personal care, home appliances, and much more. Moreover, by leveraging its unique 'FYP'-algorithm, businesses without



sizable followings are also given opportunities to connect with new audiences.

Overall, TikTok's algorithm-driven tracking of user interests, coupled with its diverse product offerings and personalized advertising approach, creates an ecosystem where brands can effectively engage with their target audience. The engagement features within TikTok allow brands to assess the demand for their products and potentially influence users' purchasing intentions. As brands strategically navigate TikTok's platform to optimize customer engagement, they can enhance their chances of driving purchase intention (Castillo, 2022).

The other marketing mix element that is significant in TikTok advertisements is promotion. The application has tools and features specifically made to make marketing easier for businesses. One such feature is called the Branded Hashtag Challenge, in which a brand creates a catchy hashtag and a video challenge (TikTok for Business, 2021). Regular users participate by accomplishing the challenge and including the hashtag. Other advertising tools include the product showcase tab, the live stream tool, and TikTok Promote.

TikTok offers a variety of products, including apparel, cosmetics, household items, and more (Hafeez, 2023). The types of products available on the platform are significantly determined by the creators who display them. Consequently, TikTok has made it clear that it intends to broaden the range of goods offered on the platform over time. Nevertheless, the products that might come across on users' FYP pages would most likely differ based on their interests and interactions within the app. This is due to the application's unique algorithm.

Given that there are millions of TikTok users worldwide, consumers have several yet somehow personalized purchase intentions. Although, according to Zhang et al. (2023), hedonic and utilitarian value positively affects the purchase intentions of TikTok users. That said, the entertainment, pleasure, and effectiveness the product or service offers play an important role in whether or not consumers will purchase. Overall, due to the vast array of products available on TikTok and its international user base, it would be deemed complex to predict each user's purchase intentions.

1.2 Statement of the Problem

This study aims to investigate the relationship between the antecedents of customer engagement and the purchase intention of DLSU-M ABM students on TikTok advertisements. Specifically, it seeks to answer the following research questions:

- 1. Does information gathering, personal identity enhancement, integration and social interaction, and entertainment value significantly predict customer engagement?
- 2. Does customer engagement significantly predict purchase intention?
- 3. Does customer engagement mediate the relationship between the antecedents of engagement and purchase intention?

1.3 Research Hypotheses

The researchers have formulated the following hypotheses:

Ha1: Information gathering, personal identity enhancement, integration and social interaction, and entertainment value significantly predict customer engagement.

Ha2: Customer engagement significantly predicts purchase intention.

Ha3: Customer engagement mediates the relationship between the antecedents of engagement and purchase intention.

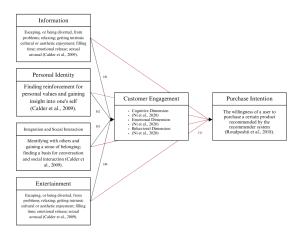
2. METHODOLOGY

2.1 Operational Framework

Figure 4

Operational Framework





The operational framework above references models devised by Gavilanes et al. (2018), who explained the phases of engagement with advertising, beginning with ad delivery and ending with advocacy or purchase of the product; and Jayasingh (2019), who examined the role of CE as a mediator between certain antecedents and brand loyalty using the user gratification theory. This research aims to investigate the ways in which the four antecedents of engagement, namely (1) information, (2) personal identity, (3) integration and social interaction, and (4) entertainment, correlate with purchase intention through the mediation of CE, which is measured by three dimensions: (1) cognitive, (2) emotional, and (3) behavioral. The researchers adopted these constructs from the study of Ni et al. (2020) to define the mediating variable. According to their research, high levels of each dimension suggest an individual is highly involved in online social interactions, which can predict and explain purchase intention.

2.2 Research Design

The research paper utilized a quantitative research design to identify patterns and averages, formulate predictions, test causal relationships, and generalize data gathered from large population sizes (Bhandari, 2020). Moreover, as variables were not manipulated, a correlational research method was employed to examine the relationship between CE and purchase intention. By doing so, a positive, negative, or neutral relationship among the variables can be established.

2.3 Research Locale

Given the BlendFLx (Blended Flexible Learning) learning modality the University has adopted, the study was conducted through virtual and in-person setups. Specifically, data was collected from Accountancy, Business, and Management (ABM) students from De La Salle University Senior High School - Manila (DLSU SHS-M). In consideration of classroom assignments, the researchers gathered Grade 11 respondents in the Velasco Building and Gokongwei Hall, and Don Enrique T. Yuchengco Hall for their Grade 12 respondents.

2.4 Profile of Respondents

The study's target population comprised ABM students studying at DLSU SHS-M, while the survey sample size totaled fifty-five (55) respondents. Aside from being ABM students from DLSU, the researchers require the participants to be knowledgeable about TikTok as an advertising platform to precisely assess the data gathered and provide accurate conclusions.

2.5 Sampling Design

The researchers employed a purposive sampling technique, also known as judgment sampling, under the non-probability technique category to gather respondents. It is a technique in which researchers rely on their own judgment or expertise to choose potential samples. However, for a purposive sample to be effective, it needs to have explicit inclusion criteria and justifications. Therefore, the researchers selected ABM students who are familiar with the research topic in order to guarantee the accuracy of the data.

2.6 Method of Data Collection

A questionnaire administered via Google Forms was used to collect data. The survey consisted of thirty (30) questions utilizing a 5-point Likert scale. These focused on participants' experiences with the TikTok platform's advertisements and how it influences their purchasing behavior. The data gathered were utilized to gauge the



advertisement's general effectiveness and appeal to consumers.

2.7 Method of Data Analysis

The researchers performed two (2) statistical methods – specifically, correlation and regression analyses. The correlation analysis assisted the researchers in identifying the correlation between the independent variables and the mediating variable. Meanwhile, a multivariate regression analysis was utilized since there was more than one independent variable in the study. Furthermore, this analysis will be useful in assessing the importance of all the possible relationships of the given variables. A confidence level of 95% was applied to determine whether or not there is a significant relationship between the independent and dependent variables, with and without a mediating variable.

3. RESULTS AND DISCUSSION

3.1 The Relationship of the Independent Variables and Mediating Variable Using a Multivariate Regression Analysis

Table 1

Results of Mediation Analysis for the Relationship between the Independent Variables and Mediating Variable

Туре	Effect	Estimate	р
Component	INFORMATION \Rightarrow CE	0.1902	0.071
	PERSONAL IDENTITY \Rightarrow CE	0.0357	0.680
	INTEGRATION & SOCIAL INTERACTION \Rightarrow CE	0.1635	0.039
	ENTERTAINMENT \Rightarrow CE	0.4186	<.001
	$CE \Rightarrow PURCHASE$ INTENTION	0.7210	<.001

Note. Confidence intervals computed with method: Standard (Delta method). Betas are completely standardized effect sizes.

The researchers used a multivariate regression analysis to examine the relationship between the independent variables and the mediating variable. According to Table 1, the *p*-values for information, personal identity, integration and social interaction, and entertainment are p=0.071, p=0.680, p=0.039, and p=<0.001, respectively. These results indicate that information and personal identity do not significantly predict CE. Meanwhile, integration and social interaction, and entertainment significantly predict CE. Similar studies that investigate these independent variables find that all four significantly predict CE.

3.2 The Relationship Between the Mediating Variable and Dependent Variable Using a Multivariate Regression Analysis

CE significantly predicts purchase intention. The results of a direct effect analysis between these variables show that CE has a *p*-value of p = <.001. This finding aligns with the study of Gavilanes et al. (2018), who posit that CE comprises a series of steps that eventually lead toward advocacy or purchase, with each progression indicating a higher level of engagement with the advertisement.

3.3 Customer Engagement as a Full Mediator Between the Independent Variables and Dependent Variable

The findings of this study indicate that CE is a full mediator between the independent variables—information, personal identity, integration and social interaction, and entertainment—and the dependent variable, purchase intention. None of the predictors directly affect purchase intention. However, with CE, entertainment has a strong indirect effect on CE.

4. CONCLUSIONS

The study examines the relationship between the antecedents of customer engagement and the purchase intention of DLSU-M ABM students on TikTok advertisements.



Based on the findings, this study suggests that the antecedents of engagement do not directly predict purchase intention. However, integration and social interaction, as well as entertainment, do significantly predict CE. This could be due to the interactive content and pleasure consumers receive from brand-created TikTok advertisements. Meanwhile, CE is a strong predictor of purchase intention as it frequently involves delivering informative and entertaining content, fostering a sense of belonging and self-identity, as well as promoting customer integration and social interaction. However, CE strongly mediates only the relationship between entertainment and purchase intention. This may be due to the immense popularity of entertaining and leisurely content on TikTok. Finally, CE fully mediates the independent and dependent variables.

Therefore, marketers and the wider marketing industry are encouraged to adapt and produce entertaining advertisements. By doing this, brands may garner higher levels of CE and increase the likelihood of purchase intention. Although, these results may only represent a subset of the population. This study gathered only 55 respondents due to logistical constraints and a lack of time. Hence, it is suggested that future research on the relationship between CE and purchase intention on TikTok advertisements will survey at least 85 participants and are encouraged to employ probability sampling methods to obtain more reliable results.

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7. APPENDICES

Link: <u>APPENDICES</u>

Alternative link: https://docs.google.com/document/d/1syJFdiWR_f0q36V0A OfVf5BWU8lk2nI2COptB1qlmRI/edit?usp=sharing