

# THE IMPACT OF TIKTOK AS A DIGITAL SERVICE PLATFORM STRATEGY ON PALEMBANG CONSUMERS' DECISION PROCESS IN THE ONLINE MARKET SELECTION

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## Abstract

This paper analyses consumer attitudes towards Internet-based e-shopping. With the results of this study, marketers and advertisers will be able to utilize this information in their current line of work. As TikTok mainly features short-form videos, they should keep in mind how the short duration of the advertisements must cover the message they aim to convey to their audience. Research shows that the online atmosphere can affect the enhancement of users' emotions and thus promotes their buying behaviour, Social networks are becoming an efficient tool for IT-based business, by providing several services for both consumers and marketers. The aim of this paper is to investigate to what extent social networks, as Tiktok, influence consumer's purchasing decision in the on line market selection. Tiktok platform has become a new front line for brands in their efforts to build relationships with their customers.

**Keywords:** Tiktok, Digital Strategy, Consumers' Decision Process

## INTRODUCTION

With the rapid development of the internet and the growing importance of social media, consumers have been provided limitless opportunities to explore, compare, and contrast different quality parameters of the services they receive in the shopping industry. Social media is explained as a technology that assists interactive data, user-created material, and cooperation. Social media can be categorized by social existence and self disclosure to private blogs and microblogging, social media sites, digital worlds, cooperative projects, and groups of communities. (Wang & Yu, 2017).

Based on data from a survey submitted by Sathirathai, Group chief economist, a global internet company headquartered in Singapore. [www.cnbcindonesia.com](http://www.cnbcindonesia.com) on January 6, 2021, the use of online platforms in June 2020 was carried out on 68,574 ASEAN youth respondents and 20,397 of them came from Indonesia. Nearly seventy thousand young people aged 16 – 35 took the survey, 87% of whom said they increased their use of at least one digital medium during the pandemic. Popular applications are social media, online education, online shopping, and online meetings. In particular, young Indonesians and Singaporeans 50% of them increase their e-commerce purchases. This data can see a complete picture of the rapid increase in the use of online media, and should be utilized properly by business people in Indonesia.

A lack of understanding of how to use social media can inhibit the marketing process carried out by business people. The growth of online market is completely reliant on the digital economy's rapid changes and Social media platforms have become a new front line for brands in their efforts to build relationships with their customers. (Hanelt, Busse, & Kolbe, 2017).

Chang (2020) stated that the new media and their underlying technologies expose advertisers to threats and opportunities. TikTok, as a continuously growing platform, only has few to no local studies made regarding its influence on marketing communication, consumer behavior, and purchase intention compared to other platforms, namely; Facebook, Twitter, and Instagram. Thus, this study focuses on three dimensions of TikTok advertisements: emotional, entertaining, and informative.

Sebastian et al., (2017) explained that a digital services platform which enables rapid innovation and responsiveness to new market opportunities. Owing to the growing popularity of social media, online business models have shifted from traditional e-commerce that focuses on one-click buying and one-way browsing to social commerce that enables consumers to digitize their purchase decision journey by establishing two-way communications and sound collaborative relationships with other consumer.

Current advances in internet-based communication processes represent an emerging framework for creating business opportunities to reach a wider amount of clients in a direct way, as well as for creating a competitive advantage, Especially, social networks allow to link actors across market boundaries, to share common knowledge and to create new connections among users and between firm and clients, due to the low cost of the connections. From a marketers' point

of view, these interactions provide data on diverse target demographics, which marketers might exploit for delivering new direct advertising messages and customized promotions. (Di Pietro & Pantano, 2012)

With the arrival of new millennium, and especially in recent years, social media (SM) presence has considerably increased; SM is being integrated into personal, social, and professional life and changing how we communicate with others. TikTok stands out owing to the ease with which it is possible to create videos where movement and music are the protagonists. We believe that these characteristics can be exploited if they are taken into the context of the corporal expression course, where movement, music, creativity, and rhythm are the key elements. (Ahn, Ryu, & Han, 2004)

The development of e-commerce and the Internet has promoted the rise of the short video shopping platform called TikTok. The increasing scale of trading on the TikTok platform has aroused the increasing concern of people regarding practice and theory, but the influence mechanism of its precision marketing on consume. Changes in digital marketing are influenced by economic digital trends, particularly those targeting millennials. Some companies in the fashion, beauty, travel, food, and beverage industries are currently running marketing campaigns on platforms such as a TikTok application. Nonetheless, many marketing executives continue to lack understanding and experience with this platform. In this scenario, the popular social networking system, Facebook, is emerging as new powerful tool for social and marketing communication (Fuaddah, Nurhaeni, & Rahmanto, 2022)

Hasim & Lina Sherlina, (2022) said that phenomenon of using tiktok social media as a means of product promotion is currently very interesting, because previously social media was more widely used as a means of entertainment among artists and society in general and was dominated by teenagers, this phenomenon can be seen in screenshots of tiktok social media. Tiktok social media is widely observed by business people to promote their products, it can be seen from its effectiveness, promotional costs, reach and others. The COVID-19 pandemic that has hit the world, including Indonesia especially Palembang city, has more or less affected the order of people's lives, businesses that were initially carried out face-to-face are now all directed online or online, thus the business community needs to adjust and follow this pattern.

Jane Araujo et al., (2022) said that since 2017, the video content entertainment industry has been on the rise. TikTok is a social media app that lets users watch, create, and share video clips. Users can create and share a 15-second video on any topic. TikTok has a separate app version specifically for the Chinese market, known as Douyin, which has over 300 million active monthly users. The new app's logo is a combination of the Musical.ly app and the DUYIN app logos. Since its launch, TikTok's popularity has grown significantly. In October 2018, it held the global record for being the source of the most downloaded photo and video apps in the Apple store. This case highlights some significant factors that have contributed to TikTok's popularity and other important aspects of this video-making-sharing app, now one of the most successful and fast-growing brands in the world.

TikTok has won the love of the post-90s and post-00s with its short video advantage in recent years, whereas young users and the main consumers of the society are in line with the main marketing objects of the enterprise. The high coincidence of the user characteristics and the marketing objects of the enterprise make TikTok the leading application., the brand advantages and strong algorithmic system of the platform are used to collect user information, embed goods or services in short videos in the form of soft advertising and accurately push short videos with advertising to every user through the big data analysis of user preferences to conduct precision marketing. However, the effectiveness of this model still lacks sufficient evidence to explore. (Pantano, Rese, & Baier, 2017)

This research regards the precision marketing of TikTok as an important stimulus to the shopping environment; the processes of stimulating the positive perception of the value of online consumer products or services and causing the purchase are also empirically explored. In addition, the strengthening effect of online shopping consumer extroversion on the process of precision marketing stimulus is analysed. The study can not only enrich the theoretical research on the effectiveness of TikTok precision marketing but also provide practical guidance for improving the marketing mode. (Lee & Trimi, 2021)

Ouyang, Huang, & Wei, (2021) said that with the results of this study, marketers and advertisers will be able to utilize this information in their current line of work. As TikTok mainly features short-form videos, they should keep in mind how the short duration of the advertisements must cover the message they aim to convey to their audience.

In today's society the marketing process is not only done conventionally but also the role of digital technology has brought changes in online marketing, making it much in demand by business people in promoting their products. As a result, business people are increasingly interested in implementing online marketing to promote their products. This study aims to answer the question of how digital strategy develops a business and discover digital marketing through campaigns on the internet as like Tiktok.

## LITERATURE REVIEW

With the aim to obtain some insights into this research field, the literature was collected from the trusted journals as one of the most relevant and high-quality scientific databases of scientific papers in this field.

Ahn et al., (2004) explained that in the context of electronic commerce (EC), the functions and features provided by companies' Web sites can be classified into several phases of marketing: pre, online, and after sales. The pre-sales phase includes a company's efforts to attract customers by advertising, public relations, new product or service

announcements. Customers' electronic purchasing activities occur in the online sales where orders and charges are placed electronically through Web facilities. The after sales phase includes customer service, delivery, and problem resolution. This phase should generate or obtain customer satisfaction by meeting various expectations of customers. Thus, customer satisfaction may be accomplished not only by the quality of online features but also by that of offline features in all the three phases of marketing and it is related to tiktok application as a digital service platform strategy.

Ferrara & Sapia., (2013) explains that social media is a medium part of the internet that provides facilities for users to present themselves, interact, collaborate, communicate and even share with other social media users, and can also form virtual social bonds. Seeing from this understanding, of course, social media looks very capable of helping micro, small and medium businesses in terms of being a place to promote their products.

Digital marketing communicates the value of goods, products, or services to customers via online and offline digital channels. Digital marketing as a business decision generates product development, manufacturing, marketing communications, buying and selling for profit, brand management, and customer relationship management has seen significant results through digital technology. Furthermore, digital is used as a strategy by which e-businesses deliver personalized marketing messages to existing and potential customers. From a theoretical standpoint, personalized content recommendation to customers is a pioneering step in online relationship marketing. (Fuaddah et al., 2022)

Digital marketing as a concept was first identified in the 1990s, especially about advertising to customers There are seven tactics in digital marketing adopted from (Eurobest, 2019) to achieve maximum goals, which consist of: 1) Increase sales prospects/prospects, 2) Increase customer acquisition, 3) Increase customer engagement, 4) Increase awareness branding, 5) Improve measurability of results, 6) Increase website traffic, 7) Improve web user experience. The stages in achieving the goals expected by business owners must go through seven steps so that digital marketing can run consistently. (Ha & Fang.,2012)

## RESEARCH METHOD

To perform this study and to better understand consumers' expectations and experiences during the intervention, the instruments is used and subsequently analysed qualitatively. This analysis approach allows to obtain a more comprehensive information, which is beneficial for approaching the subject such as this study. Thus, by analysing the information collected which we can analyse in greater depth what the intervention meant to it.

This research applied a descriptive qualitative study with a case study approach that investigated digital strategy in business development. The descriptive qualitative research uncovers the facts needed to describe all of the events investigated. The results of qualitative research emphasize the meaning and obtain the data used for specific purposes. This study utilizes content analysis to identify the content.

The process of collecting data through literature review came from news releases in mass media, scientific journals, relevant documents related to marketing and digital marketing. The library reviews collect the data through scientific journals, books, and the internet. The results of data analysis come from the observation process carried out on the TikTok.

Promotes sales through three methods of digital strategy campaigning via TikTok. First, brand storytelling and product storytelling via TikTok videos with varying narratives. Second, venture out into the real world or connect and engage directly with customers through empathy, understanding, and the development of real-life problems. from both social and customer interactions. Finally, growing socially and humanely with customers means that we grow together socially and humanely where technological advancement has become a barrier to effective direct communication via tiktok application.

The study's findings suggest that digital platform strategy efforts via TikTok must be carried out consistently and follow the third element to maintain and improve product. Storytelling is an effective channel for communicating brand goals. Stories are compelling because they transform consumers' beliefs in myths into actual consumers.

## RESULTS AND DISCUSSION

TikTok is one of the media platforms that allows users to express themselves and be creative through video content. In the development of digital strategy of social media, it can also be used to market. uses TikTok as a social media platform. TikTok has optimized the efforts to make a superior product. It is attempting to attract audiences through digital strategy via the TikTok application.

The results mean that the users of an Internet shopping mall like tiktok application considered the Web site not merely as an information system but also as a virtual store which provides the full stages of purchasing process of finding, ordering, and receiving. The dual nature of the online consumer as a tradition shopper and an Web user implies that the offline features are just as important to retain customers.

Enterprises and businesses use precision marketing to push product or service information to online consumers accurately. Online platforms, such as TikTok, fit the interests of online consumers through the deep embedding of advertising and video content, which not only enhances user stickiness but also realises the effect of marketing and stimulates the production of users' purchase intention.

A social networking system such as tiktok usually contains consumers' evaluations of products and services, thus it represents a common source of information on brands, products, firms, and it represents one of the main ways consumers can use to express satisfaction or dissatisfaction towards a firm. This source consists of photos, videos, audios as well as comments posted by consumers and firms' representative constantly available and updated.

This buying and selling process is carried out online either using a website or e-commerce so that it can reach a wider market. The Covid-19 pandemic that has hit the world today has made a lot of people work at home to support more people who use smartphones for various types of transactions, one of which is shopping. Because now people are using more gadgets, of course, they can see promotional content more often on social media. This is one of the positives of the Covid-19 pandemic.

## CONCLUSION

The Internet shopping mall as one of the types of electronic commerce has proliferated rapidly since the middle of 1990s where Web technologies have played a major role in this growth. The growth of Internet shopping mall is expected to be accelerated because it has a lot of incentives such as convenience, broader selections, competitive pricing, greater access to information, product quality, and time to receive product. However, it seems to be not always successful for an individual shopping mall to employ Internet system for strategic purposes. It should compete with other Internet shopping malls, traditional shopping channels and brick-and-mortar companies. Furthermore, practitioners say that customer satisfaction is more challenging in the Internet commerce than ever before because customers are more demanding and information empowered to make their own decisions, and want their needs met immediately, perfectly, and for free. Thus, it still remains as a key challenge for the Internet shopping malls to understand customer requirements and enhance his/her satisfaction.

TikTok is as one of the digital service platform in Palembang, it is needed by a large number of users and a high level of engagement, TikTok is an application that provides enormous opportunities in the business sector, especially in marketing activities. Influencer endorsers are an effective trend for business actors to promote the products they sell. The existence of the TikTok Shop feature on the TikTok application makes it easier for consumers to buy the goods they want and need.

In the digital era, tiktok has become a trend in communication. for social media users social media is very easy to participate, share and create messages such as blogs, social networks, wikis, forums and virtual worlds. Blogs, social networks, and wikis are the most common forms of social media used by people around the world. Technological advancements in the internet era make a difference in all aspects of daily life, one of which is a change in consumer behavior among Indonesians, who prefer instant and practical things, which improves online shopping models.

Digital marketing business owners use the growing popularity of social media. The content on social media is not only for information but also for entertainment. TikTok has its characteristics in social media. TikTok posts feature videos that range from 15 seconds to 3 minutes. In short, the narrative would effectively produce messages and meanings in the minds of consumers, particularly market strengthening. Emerging social platforms, such as TikTok, are highly entertaining, and their rich information and accurate advertising promote the interest of online shopping consumers in products, leading to the improvement of their perceived value. Meanwhile, TikTok has a large number of bloggers. Advertisers combine product information with the contents made by bloggers, so that users can watch the videos of the bloggers they follow whilst understanding the relevant product information. Through deep embedding and various forms of advertising, online shopping consumers have a new understanding of products, re-evaluate their value and promote their perceived value of related products

Thus, platforms should optimise personalised services, integrate product promotions or provide customised services within the scope of user concern and improve the effect of precision marketing. Secondly, in the marketing content, TikTok makers realise the deep embedding of advertisements and contents in short videos but cannot avoid the thorny problem of short video content quality. Therefore, improving the quality of content output is also a powerful measure to improve consumer perceived value. Lastly, in terms of marketing measure, TikTok can launch a series of marketing measures for online shopping consumers, such as offline meeting activities and online events, because of their positive response to the platform. Therefore, the participation of Palembang people must be improved to stimulate further buying behaviour.

Social media platforms provide deals and content to their viewers to engage them in two-way dialogue and communication that reveals brand insights and ideas. Some of the factors that support the social media campaigns proposed by as follows brand storytelling, which encourages or elicits brand-related stories. And people will know and interest what the seller shows to the viewers.

According to the above empirical research conclusions, this study puts forward three suggestions for marketing improvement. Firstly, in terms of marketing methods, the combination of short video and content can easily make consumers have antipathy. Thus, platforms should optimise personalised services, integrate product promotions or provide customised services within the scope of user concern and improve the effect of precision marketing. Secondly, in the marketing content, TikTok makers realise the deep embedding of advertisements and contents in short videos but

cannot avoid the thorny problem of short video content quality. Therefore, improving the quality of content output is also a powerful measure to improve consumer perceived value. Lastly, in terms of marketing measures, TikTok can launch a series of marketing measures for online shopping consumers, such as offline meeting activities and online events, because of their positive response to the tiktok platform.

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