

The Effect of Building Perceived Value on Increasing Customer Purchase Intention in the Internet Celebrity Economy

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Abstract. Based on the statistics report of Double 11 shopping festival, the sales volume of live-streaming E-commerce which consist of Internet celebrity economy as a main part has reached 181.4 billion yuan with a year-on-year growth of more than one hundred percent. The purpose of the research is to figure out some important aspects towards building perceived value and how perceived value takes effect to increase customer purchase intention in the Internet celebrity economy, especially for Chinese Internet celebrity economy. Social media influencers in platforms like TikTok have made great contribution to the growth of E-commerce. Internet celebrity economy has advantages such as cheaper price or multiple purchase channels. Besides, perceived value also plays a significant role in the booming development of Internet celebrity economy. The research would introduce the main marketing methods of Internet celebrity economy and illustrate some important aspects for Internet celebrities in attracting fans' attention and building perceived value. Subsequently, the research would compare different aspects to find out more effective factors on building perceived value and increase customer purchase intention. Finally, the research gives some suggestions about how to improve the self-influence based on the review of the research on foreign social media influencers. The conclusion of this study is that strengthening the emotional connection between Internet celebrities and customers is the key to improve customers' purchase intention.

Keywords: Internet celebrity economy; customer purchase intention; perceived value; social media influencer.

1. Introduction

With the development of E-commerce, online shopping has become more and more popular in recent years and has truly changed consumers' consumption habits. Besides, after nearly a decade's development, social media influencers in Chinese platforms like TikTok have accumulated an appreciable number of followers and are beginning to play more important roles in live-streaming to fulfill their liquidity. Based on this background, the rise of the Internet celebrity economy is natural and reasonable since the combination of social media influencers and brands in E-commerce platforms is a win-win method. As for brands in E-commerce platforms, they have been seeking for cheaper substitutions of famous entertainment stars due to the costly endorsement fee. Compared with movie stars, social media influencers who have more focused audience groups and audience stickiness are easier to sell the goods using the advantage of closer emotional connections, and they do not ask for an expensive reward [1]. While for social media influencers, it is difficult to fulfill their liquidity without reaching cooperation with famous brands. Among all the ways to reach cooperation, participating in live-streaming to sell goods is the most common method and has a high liquidity rate. Therefore, the research objective is to explore the relationship between social media influencers and customer purchase intention in the environment of the Internet celebrity economy. During the process of finding a thesis to prove there is a positive relationship between social media influencers and customer purchase intention, the author find that many theses have mentioned the importance of perceived value. Perceived value is the subjective perception of customers towards a product or a kind of service. It has been proved that perceived value has a positive effect on customer purchase intention whether as a variable or mediator. Thus, perceived value is added as a mediator to explore aspects which have a positive effect to build up perceived value and increase customer purchase intention. As for the analytic tool, the SOR model is used to illustrate the relationship between different factors and how they contribute to build up perceived value in order to increase customer

purchase intention. The SOR model is a widely used psychological model to explain the decision-making process of a purchase from a customer. The processes originated from physiological factors and psychological factors and influenced by the outside environment. Then it comes to the selection of variables. Based on the research, factors that have a great effect on maintaining good relationships with customers are the keys to studying the relationship between social media influencers and customer purchase intention. Considering the common impression of Chinese Internet celebrities and the remarkable price advantage of the Chinese E-commerce market, this study chooses four main aspects of the personal charisma of social media influencers, the interactive quality of live-streaming, the functional value of products and psychological value. The aspect of personal charisma is consisting of appearance, temperament, value system and specialization which illustrate from both physical and mental angles. After the introduction of each factor, the research aims at the comparison of different factors in order to find out the most significant factors that have a positive effect on creating perceived value and increasing customer purchase intention. Based on the result of the comparison, the study will provide suggestions drawing lessons from the experience of foreign social media influencers to develop the Chinese Internet celebrity economy better. The research meaning of this thesis is to figure out the most remarkable characteristics to influence customer purchase intention in order to make more cost-effective plans for brands to improve their achievement. The experience from foreign Internet celebrity economy can be learned and become an advantage of the native Internet celebrity economy.

2. Analysis of Internet Celebrity Economy

Internet celebrity refers to those who have accumulated a large number of fans on social media. Internet celebrity economy is a marketing mode that depends on the growing influence of Internet celebrities and social media to attract great social attention which leads to enormous fans and a specific market that can be used to achieve realization [2]. Nowadays there are mainly two models of Internet celebrity economy: One is to focus on the specific fan's groups of social media influencers in certain fields and build network communities [3]. Fans in the same community share the same preference and similar interests which leads to group consumption. This model is common among top social media influencers who have the greatest number of fans and gain the biggest attention in their fields. Another model is a combination of different types of social media influencers. At first the brands will reach cooperation with top Internet celebrities to ensure the product would be widely spread as well as attract public attention and discussion. Then these brands will find some knowledge popularization social media influencers to express the key advantages of the products using their professional knowledge. Finally, after large-scale evaluations from social media influencers in different channels to reach further spread, the brand accomplishes the promotion goal to spread among the whole industrial chain and has tremendous liquidity potential. Besides the two marketing models, Internet celebrities have three main ways to translate network flow into cash [4]. The first method is to combine with an E-commerce platform in order to maximize the potential of sales through precision marketing. The second method is encouraging followers to pay for the content they created, whether through paying for high-quality articles or rewarding virtual gifts when live-streaming. The third one is through the payment from the brand for advertisement costs, which reduces the promotion cost and achieves precision marketing.

According to predecessors' studies, the SOR model is an effective tool to figure out the relationship between the perceived value and customer purchase intention [5]. Therefore, this research will rely on the SOR model as the studying tool and make a hypothesis based on predecessors' studies.

2.1 Personal Charisma of Social Media Influencers

Personal charisma covers aspects to describe a person mainly according to initial impression, including physical factors such as the appearance of social media influencers, temperament of social

media influencers and mental factors containing the value system as well as specialization of social media influencers. Although these physical factors and mental factors are under the category of personal charisma, they have different influences on customer psychology. As for physical factors, they play the role as to create a good first impression and attract customers to enter the live broadcast room. While for mental factors, they have a higher impact on increasing the retention time which means a higher possibility to turn the attention of customers into real consumption. According to these theories, the hypotheses are proposed below:

H1: The appearance of social media influencers has a positive effect to build up perceived value and will increase customer purchase intention

H2: The temperament of social media influencers has a positive effect to build up perceived value and will increase customer purchase intention

H3: The value system of social media influencers has a positive effect to build up perceived value and will increase customer purchase intention

H4: The specialization of social media influencers has a positive effect to build up perceived value and will increase customer purchase intention

2.2 Interactive Quality of Live-streaming

Besides the personal charisma of social media influencers, the interactive quality of live-streaming is also an important factor to improve the emotional connections with customers which is beneficial to build up perceived value. Among all the factors which have an influence on interactive quality, the expressive and communication ability of social media influencers are the most significant factor. Social media influencers who have excellent communication abilities are able to provide customers with a sense of intimacy which can reduce the social gap and create trust easier. This sense of intimacy also helps them to better understand the need of customers so that creates a virtuous circle to improve the quality of live-streaming. H5: The communication and expressive ability of social media influencers has a positive effect to build up perceived value and will increase customer purchase intention.

H6: More interactions with social media influencers have a positive effect to build up perceived value and will increase customer purchase intention.

2.3 Functional Value of Products

Despite the impact more focused on social media influencers themselves, the functional value of products cannot be neglect since it is also essential to create the perceived value and stimulate customer purchase intention. The price and quality of products both have strong positive influence on the products' functional value. Furthermore, Chinese customers are sensitive towards the price advantages, which means they may purchase more when they find out the actual price is lower than their expected price.

H7: The price of products has positive effect to build up perceived value and will increase customer purchase intention.

H8: The quality of products has positive effect to build up perceived value and will increase customer purchase intention.

2.4 Effect of Psychological Value

Psychological value is also a significant element to build up perceived value and may have a positive influence on customer purchase intention. Many predecessors' studies have mentioned that creating a sense of trust will have a strong positive influence on customers' purchase intention. In addition, the consumption experience is also an important factor to create perceived value and will influence customers repurchase intention as well as recommendation intention.

H9: The sense of trust of customers has a positive effect to build up perceived value and will increase customer purchase intention.

H10: The consumption experience has a positive effect to build up perceived value and will increase customer purchase intention.

3. Demonstration about Different Aspects

3.1 Influence of Personal Charisma

The personal charisma of social media influencers actually has a positive effect on building up perceived value and increasing customer purchase intention. However, physical factors like appearance and temperament do not take much effect as mental factors like value systems and specialization. Most researchers hold the view that these physical factors are the premises of social media influencers to draw public attention and attract an audience to enter the live-streaming. These factors have few direct relationships with purchasing behaviors. Another study by Wen Chen illustrates that physical factors like appearance can be effective for certain kinds of customers who are driven by hedonistic shopping motivations [6]. Excellent appearance and temperament can increase the satisfaction of these customers and make them feel pleasant which has a strong positive effect on creating perceived value. In contrast with hedonistic shoppers, appearance and temperament have a weak influence on utilitarian shoppers and build up their perceived value. According to the statements above, H1 and H2 are true but do not have a strong correlation with building up perceived value and increasing customer purchase intention. As for factors of specialization, several articles have mentioned the importance of specialization on build up perceived value and increasing purchase intention. The specialization of social media influencers can bring a sense of happiness which is beneficial to build up perceived value and increasing customer purchase intention [7]. While for the factor of value system, due to the difference between Internet celebrities and social media influencers, strong evidence is not found to support the value system has a positive effect to build up perceived value under the background of the Chinese Internet celebrity economy. Therefore, H3 is wrong. H4 is right and specialization has a great positive effect on creating perceived value and increasing customer purchase intention.

3.2 Influence of Interactive Quality

Interactive quality is one of the most important aspects to judge whether a live-streaming is successful or not. Most of the related articles have studied whether there is a positive relationship between interactive quality and perceived value, and the answer is true. More effective interactions can introduce the product clearly and thoroughly to strengthen the understanding of customers towards its use value. They reduce the psychological distance to make customers feel valued. Since great communication and expression skills are the basis of more interactive interactions, H5 and H6 are true.

3.3 Influence of Functional Value of Products

According to the statements above, factors like specialization and interactive quality all show a great positive effect on building up perceived value and increasing customer purchase intention. However, the functional value of products influences the purchase intention of customers and decides a longer factor- the repurchase rate. Brands are sensitive toward purchase rate because it is an effective reflection of the number of loyal customers as well as a guarantee of future sales. According to the research of Xiuli, Fu, the quality of a product is the most important factor to influence customer repurchase intention [8]. The quality of the product is the final evaluation criterion of customers, enterprises cannot establish a great brand image without products of good quality. As for the price, it provides an additional criterion to evaluate a product more thoroughly, but the evaluation is meaningful based on the great quality. To sum up, H7 and H8 are both true but the quality of the product is more significant to build up perceived value and increasing customer purchase intention.

3.4 Influence of Psychological Value

According to the article written by Baoguo, Zhao, there is a positive relationship between perceived value and customer trust, while the perceived value is the variable [9]. The model is consisting of perceived value as a mediator and customer trust as a moderator, which also illustrates that the sense of trust has a positive influence on customer purchase intention. Therefore, H9 is eliminated for the wrong derivation process. As for consumption experience, great consumption experience can reduce the time cost of customers and satisfy personalized needs, which is positive to build up perceived value and increase customer intention. Therefore, H10 is true.

4. Suggestions

Based on the research above, the aspect of personal charisma does not make a significant contribution towards building up perceived value and increasing purchase intention, which indicates the difference between Chinese Internet celebrities and foreign social media influencers. The model of Internet celebrity economy is an economic model which also focus on the supply chains, functional value of products, consumer experience. Besides, a rising trend is beginning to appear that brands' live-streaming has decreased the frequency of inviting Internet celebrities due to the characteristic of short-term. The Internet provides opportunities for ordinary people to become Internet celebrities, while the popularity and influence often cannot last for a long time, which is not beneficial for enterprises to develop loyal customers as well as improve brand value [10]. On the contrary, social media influencers in foreign social media platforms place much more importance on the promotion of brand value instead of mainly focusing on the sales volume, which has better long-term effects on building customer trust towards brands and creating perceived value. Considering this situation, Internet celebrities can try to pay more attention to seeking value identification which is positive to maintain their popularity on the Internet. In addition, when reaching cooperation with enterprises, producing contents which are strongly agreed with the brand value might be a good choice to extend the period of cooperation.

5. Conclusion

Specialization, interactive quality, the functional value of products and consumption experience all have a positive effect on building up perceived value and increasing customer purchase intention under the background of the Chinese Internet celebrity economy. Despite the functional value of products including price and quality, all other factors are focused on reducing the psychological gaps and enhancing emotional connections. This result reminds us that after ensuring the quality of products is great, brands and Internet celebrities should make an effort to improve the emotional contact between influencers and customers. Besides, the lack of evidence to support the effect of the value system indicates the difference between Internet celebrities and social media influencers. Without strong value recognition, it is difficult for Internet celebrities to maintain their popularity and social influence. Therefore, Chinese Internet celebrities are suggested to create more content with their own value system instead of the creation in the form of expressions in order to show long-term value for brands that are seeking cooperation. Due to the limitation of resources and the different evaluation criteria of Internet celebrities and social media influencers, this research could not develop a wider range comparison between the influence ability of Internet celebrities and social media influencers. The limitation of the analysis tool is also a hinder to preventing this research from attaining more persuadable results. There will be more research focusing on how to develop the Internet celebrity economy and how to reach a perfect combination between Internet celebrities and social media influencers in the future research.

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