

NAVIGATING THE SHORT-FORM VIDEO LANDSCAPE **OF INDONESIA**

Unraveling the Influence of Short-form Videos on the Purchasing Intentions of Indonesia's Gen Z

Master Thesis

MSc. International Marketing and Management

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Executive Summary

This master thesis explores the influence of promotional short-form video content on TikTok and Instagram on the purchasing intentions of Generation Z in Indonesia. Against the backdrop of Indonesia's burgeoning economy and the transition to a consumer-based economy, the study is situated in the context of the digitally literate Gen Z cohort, where social media holds significant sway over consumer behaviors. Employing a philosophical foundation grounded in critical realism, the research follows an abductive approach, encompassing initial exploratory inductive research, theory construction, and validation through a deductive stage.

The findings affirm the considerable impact of short-form video content on Indonesia's Gen Z, revealing a pronounced influence on their purchasing decisions. Notably, the data underscores that utility and usefulness are paramount considerations for Indonesian Gen Z when engaging with products and services portrayed in short-form video content. Interestingly, the study suggests a diminished impact of social parameters, including family, friends, and religious communities, on purchasing intention. This observation hints at a shift away from collectivistic attitudes among younger generations. Overall, this research contributes nuanced insights into the dynamic interplay between short-form video content and the consumer behavior of Indonesia's Gen Z, offering valuable implications for marketers navigating the digital landscape.

List of Abbreviations

Definitions

SVC	Short-form Video Content
PU	Perceieved usefulness and ease of use
ASM	Attitudes towards social media
SN	Social norms
PBC	Perceived behavioral controls
eWOM	Electronic word-of-mouth
PI	Purchasing intention
OPIM	Online purchasing intention model

1. Introduction

In the rapidly evolving landscape of global consumer behavior, Indonesia has emerged as a dynamic and pivotal player in recent years. As the world's fourth most populous nation and the largest economy in Southeast Asia, Indonesia's importance on the global stage is undeniable. With a burgeoning middle class and a youthful population, it represents an intriguing area of study for understanding the changing dynamics of consumer behavior, particularly among its Generation Z cohort.

Although social media has existed since the early 2000's, this digital realm is ever-changing and constantly evolving to become more efficient and effective in influencing people's lives. The manner in which the online and digital sphere is being deeply integrated into the lives of people, especially younger generations, poses the question of the depth in which it has impacted us. Therefore, this master's thesis embarks on a journey to explore the intricate relationship between short-form video content (SVC) and consumer behavior within the context of Indonesia. In an era marked by the presence of social media platforms, such as *TikTok* and *Instagram* Reels, these platforms have become influential mediums for shaping consumer preferences and purchase decisions. This research seeks to shed light on how these SVCs are impacting the choices and preferences of Indonesia's Generation Z.

2. Problem Formulation

2.1 Why Indonesia?

Indonesia's significance as a developing nation has been increasingly pronounced over the past decade. The country's consistent economic growth, expanding urbanization, and growing middle class have generated a surge in consumer spending (World Bank, 2023). As Indonesia continues to transition from a production-based economy to a consumer-driven one, understanding the factors that shape the consumption patterns of its population is of paramount importance for businesses and policymakers alike. Moreover, Indonesia's strategic geographical location at the crossroads of Asia-Pacific trade routes and its membership in the Association of Southeast Asian Nations (ASEAN) make it a key player in regional and global markets (World Trade Organization, 2020). Thus, studying consumer behavior in Indonesia not only offers insights into a rapidly evolving market but also provides a lens through which to understand broader trends in the Asia-Pacific region.

2.2 Indonesia's Generation Z

Indonesia's Generation Z, born roughly between the mid-1990s and early 2010s, constitutes a substantial portion of the country's population. This demographic is characterized by its digital nativity, having grown up in an era where the internet, smartphones, and social media are integral to daily life. With their unique characteristics, preferences, and behaviors, Generation Z has the potential to shape the future of consumption patterns in Indonesia and beyond (DiMock, 2019). Understanding the consumer behavior of Generation Z is particularly pertinent due to its role as a driving force behind emerging trends and shifts in the marketplace. This generation is known for its inclination toward experiences over possessions, its demand for personalized content, and its ability to seamlessly navigate the digital landscape (British Council, 2022)Consequently, they represent an intriguing demographic for evaluating the impact of SVCs on consumer choices.

2.3 Significance of Social Media in Purchasing Intention

Social media has transformed the way individuals interact with information, brands, and each other. It has become an indispensable platform for communication, entertainment, and commerce (Kumar, Bezawada, Rishika, Janakiraman, & Kannan, 2020). SVCs on platforms such as *TikTok*, *Instagram* Reels, and *YouTube* Shorts have harnessed the power of visual storytelling and micro-entertainment, captivating users and potentially influencing their purchase decisions. Given the exponential growth of SVC content consumption, it is essential to explore how these platforms shape the consumer journey. Analyzing the interplay between content creation, engagement, and consumer behavior can provide insights into the evolving nature of marketing and branding in the digital age (Appel, Grewal, Hadi, & Stephen, 2020).

3. Research Problem

This master's thesis aims to explore the intricate relationship between SVCs and consumer behavior within the unique context of Indonesia, focusing on its Generation Z population. By delving into this dynamic and multifaceted landscape, we seek to contribute to a deeper understanding of the ever-evolving realm of consumer behavior in an increasingly connected world. Hence, the research question that this thesis aims to answer is as follows:

"How do promotional Short-Form Video Content on Instagram and TikTok influence the purchasing intention of Generation Z in Indonesia?"

3.1 Delimitation of Research Question

Certain aspects must be delimited in the endeavor of the research process to specify the scope of the master thesis. This section will therefore outline what considerations have been made in regard to the research question, and the rationale behind these decisions.

Here, "promotional SVCs" corresponds to online videos posted on social media such as *TikTok* and *Instagram* Reels. Such videos are generally between fifteen seconds to three minutes long, and are posted either by individual companies or by content creators sponsored by or representing said companies to sell a product, service or experience (Schaffer, 2023). Hence, this research paper will not directly investigate content that is based on pictures or text content. Moreover, the master thesis will primarily focus on SVC produced by businesses and, by extension, specific individuals that are sponsored by a business. Therefore, this includes all sources of SVC that are "commercial" in nature where there is a certain product or service that is being promoted or recommended. Granted that on social media, users are also able to generate their own content that mentions or highlights a certain business; however, as these are not directly correlated to the businesses, they will not be taken into consideration.

Additionally, the master thesis will endeavor to highlight and map the intricacies of commercial SVCs' influence on Gen Z individuals, which naturally delimits the research from understanding the influence SVCs have on businesses. Hence, the research will not delve into how social media and SVCs influence B2B relationships, but rather focus on B2C relationships. There is also a conscious choice of focusing on two SVC social media platforms within the master thesis, *Instagram* and *TikTok*. Despite the presence of other social media platforms that provide SVC services, such as *Youtube*, *Snapchat*, and *SnackVideo*, these platforms do not have the same level of influence as *Instagram* and *TikTok* (based on rudimentary research of the social media platforms in Indonesia). There is an acknowledgement that there are differences between the platforms, and they cannot all be taken into consideration for the project.

4. Foundations and Method

4.1 Ultimate Presumptions: Critical Realism

The first step is to define the underlying ontological and epistemological foundations of the project. Outlining and defining the philosophical foundations will determine how reality and knowledge is perceived and comprehended. Moreover, these definitions will act as rudimentary concepts that the entire master thesis will be based on.

4.1.1 Realist Ontology

In the pursuit of creating business knowledge and understanding, this thesis is guided by an underlying philosophical assumption that shapes the way the world is perceived and subsequently investigated.

Accordingly, this master thesis is built upon a realist ontology which is grounded in the belief that there is an objective reality that exists independently of human perception or interpretation (Bhaskar, 1975). This ontological perspective asserts that the world holds an inherent structure and causal mechanisms that underlie the observable phenomena. Moreover, this perspective posits that the structures and mechanisms exist where or not they are observed or understood by individuals, and that they can be uncovered through empirical investigation (Bhaskar, 1975). The acceptance of a realist ontology fundamentally shapes the way the research question, data collection, and the interpretation of findings will be approached. Essentially, this foundational perspective commits to discovering the real underlying structures and mechanisms that govern the phenomena of interest.

4.1.2 Social Constructivist Epistemology

Besides the ontological philosophical foundation, it is also necessary to define the epistemological foundation which determines how knowledge is conceived, constructed, and interpreted. Given that ontology prescribes how reality is perceived and observed, the manner in which knowledge is subsequently conceived will naturally also be affected by the project's ontology. Hence, in this section we embark on an exploration of how a realist ontology lays ground for a social constructivist epistemological foundation and how this foundation can be defined.

In essence, a social constructivist epistemology contends that knowledge is not an objective and universal truth waiting to be discovered, but rather a dynamic and socially constructed entity (Berger & Luckmann, 1966). It assumes that individuals' understanding of reality is shaped by their interactions with society, culture, and language. Given that these subjective

parameters are not static, the nature of knowledge is therefore dynamic and ever-changing. Hence, knowledge is not something inherent within the world but is actively created and negotiated within social contexts.

At the outset, this epistemology could seem to counter the idea of an objective reality of a realist ontology. However, in the conception, construction, and interpretation of knowledge a social constructivist approaches reality with a critical lens. This perspective acknowledges that individuals' experiences and understanding also affects how they view the world. A realist ontological perspective "commits to discovering the real underlying structures and mechanisms that govern the phenomena of interest". Accordingly, the subjective understanding of different individuals due to societal, cultural, and lingual differences will naturally influence what and how knowledge is conceived. Therefore, a social constructivist epistemology gives new knowledge "the benefit of a doubt", which encourages further investigation and research.

In essence, a social constructivist epistemology acknowledges the role of subjective understanding and interpretation in the pursuit of knowledge creation. This philosophy does not undermine realist ontology, but rather promotes a critical lens in the conception of knowledge.

4.1.3 Critical Realism

The integration of realist ontology and the social constructivist epistemology ultimately lays the foundation to the concept of critical realism. The principles of critical realism essentially simplify the statutes of realist ontology and social constructivist epistemology – it offers a more pragmatic approach to the pursuit of business knowledge.

Within critical realism, there exists three different domains that describe reality and its relation to knowledge conception. The first, and most approachable domain is the "empirical" domain which constitutes knowledge constructed by individuals that is observable and measurable. Here, it is acknowledged that social, cultural and linguistic contexts influence information and knowledge (Buch-Hansen & Nielsen, 2005). For this reason, relevant contextual elements will be highlighted and emphasized in the pursuit of the project.

Next, the second domain is known as the "actual" domain. Here, actual phenomena, events, and processes that influence and essentially also create that which can be empirically observed and measured. Social, cultural, and linguistic contexts can be taken into consideration and scrutinized in order to determine what the real underlying mechanisms and structures are. (ibid.)

This leads to the final domain within critical realism: the "deep" domain. Within this level of critical realism, the true and real underlying mechanisms and structures are defined and outlined. However, within the endeavor of uncovering the underlying mechanisms and structures there is also an acknowledgement that the findings from both the empirical and actual domains cannot completely give an absolute conclusion that conceives a new form of knowledge. This is primarily due to the recognition that despite the level and intensity of research, then information and knowledge cannot be complete to allow a conclusive and absolute definition of underlying mechanisms and structures. However, the findings may still be able to illuminate certain aspects and characteristics of the underlying mechanisms and structures. (Ibid.)

The foundational application of critical realism is largely influential in approaching the research problem. Given the different cultural and social backgrounds that need to be considered, critical realism offers a nuanced and systematic manner in which to handle these parameters. Moreover, the pursuit of uncovering mechanisms and structures that create certain handlings, also creates the ambition of concluding a more pragmatic result in the end of the research.

4.2 Abductive Research Process

With the underlying philosophical foundation of *critical realism*, the research journey endeavors to unravel the influence of SVCs on social media on purchasing intention of Indonesian Gen Z by utilizing an abductive research process. Abduction, a combination of induction and deduction, offers a balanced approach that allows for both exploration and testing of theoretical constructs (Arbnor & Bjerke, 1997). In this master thesis, the abductive process involves three distinct stages which include the explorative inductive phase, theory building, and the subsequent testing through a deductive approach.

4.2.1 Explorative Inductive Research

It is acknowledged that the influence of SVCs on Indonesia's Gen Z is dynamic phenomenon, which requires an initial research approach taken from different perspectives. Hence, the initial step involves a comprehensive exploration of existing secondary data and information, which includes academic literature, industry reports, cases, news articles, and to some extent, blog posts. The role of secondary data in this research is invaluable to understand the theoretical and contextual landscape, along with identifying key themes and concepts that warrant further investigation.

Moreover, primary data through a survey is also used to supplement this initial research explorative stage to directly gauge Indonesia's Gen Z. The survey is designed to capture their perspectives, behaviors, and attitudes concerning SVCs and purchasing intentions. The combination of qualitative and quantitative data collected during this phase will serve as the basis for the subsequent theoretical construction.

4.2.2 Theory Construction

Given the rich insights from the initial inductive phase, insights into the complex interplay of SVCs and Indonesian Gen Z's purchasing intention are provided. By employing a thematic analysis and patterns recognition from the explorative stage, the research subsequently endeavors to synthesize the qualitative and quantitative findings into a theoretical framework that explores potential causal relationships and underlying mechanisms. The emergent theory should offer a comprehensive understanding of Indonesia's Gen Z's engagement with SVCs and how it influences their purchasing intentions.

4.2.3 Deductive Testing and Refinement

Following the construction of an initial theoretical framework, the research transitions into a deductive testing phase. In this stage, the research applies the inductively generated theory to a practical scenario, primarily by utilizing a case company as an example. The deductive process involves identifying a real-world case company that targets Indonesian Gen Z through short-form videos in its marketing efforts.

The new theoretical framework is systematically applied to the case, assessing how well it aligns or differs with the observed behavior and outcomes of the Gen Z consumers targeted by the case company. By evaluating the extent to which the theoretical constructs match the empirical observations within the case, the deductive phase may confirm the validity and applicability of the theory to real-world situations. Additionally, this stage will identify any deviations, inconsistencies or exceptions, which can lead to refinements of the theory and contribute to overall robustness of the researched theory.

As a result, the research not only offers a nuanced understanding of the research question but also contributes to the advancement of knowledge in the context of Gen Z's consumer behavior in the digital age. The abductive research process acknowledges the complexity and evolving nature of the research area, and creates a framework to explore these intricacies.

4.3 Methodological Approach

The following section will highlight the actual methodological approach utilized in the research endeavor of the master thesis. Here, a step-by-step process will be highlighted and argued for. The research process can be broken down into the following steps:

- 1. Literature Review and Contextual Foundation
 - 2. Theoretical Framework
 - 3. Exploratory Data Collection
 - 4. Data Analysis from Survey
 - 5. Theory Building
 - 6. Refinement and Validation
 - 7. Discussion
 - 8. Presentation of Findings
 - 9. Recommendations
 - 10. Limitations
 - 11. Conclusion
 - 12. Further research

One of the major objectives of this master thesis is to conduct an initial well-grounded and comprehensive exploratory research. Here, the explorative inductive research stretches from Step 1 to 4. It starts with the first step, "Literature Review and Contextual Foundation", where relevant literature and context is provided regarding the study area of interest, in this case: commercial SVCs, social medias, purchasing intentions, and Indonesia's Generation Z, see "3. Research Problem". Therefore, this step will outline a comprehensive foundation and review of relevant information, theories, and data about the study area of interest. Step 2 outlines the theoretical framework which guides the research. Here, the primary endeavor is to understand create a understanding of the concept of "purchasing intention" and how it may be measured in the thesis. The third step includes the data collection for the inductive explorative stage, where additional information is sought to supplement Step 1. The fourth step is to analyze the data, here the secondary sources and the primary sources are combined in order to uncover insights related to the research problem.

Next, the step of "Theory Building" will commence which is where the construction of theories, frameworks, or models will begin. Based on the data, previous literature, and context

there will be an attempt to provide explanations or interpretations of the SVCs' influence on Indonesian Gen Z consumer behavior.

Finally, this leads to "Refinement and Validation" which encompasses the deductive stage of the research process. The case study and additional data is collected in order to test the theories constructed from the previous research stage. Naturally, the 8th step includes a discussion of all the data and information collected till that point. Steps 9 till 12 are the final stages of the master thesis that will highlight the conclusions and findings of the research project.

Ultimately, this methodological approach combines the established ultimate presumptions and paradigms together with the research question. Essentially, explaining how the research questions will be answered in a structured manner.

4.4 Reliability and Validity

Reliability and validity are two essential concepts in business research the ensures the rigor and trustworthiness of data, theories, and insights. Ultimately, the quality and credibility of the research findings will be influenced by the level of reliable and valid evidence.

Briefly summarizing reliability and validity: Reliability refers to the consistency, stability, and repeatability of research measurements and data collection methods. Hence, reliable research should produce consistent results when the same procedures are applied repeatedly. On the other hand, validity refers to the extent to which a research study measures what it claims to measure (Heale & Twycross, 2015). Hence, valid research would accurately and truthfully represent the concepts or variables it intends to study.

4.4.1 Secondary Sources in "Literature Review and Contextual Foundations"

The strategy to which the secondary data is valued as reliable and valid has inherent challenges that lie on the researcher. A manner in which reliability can be warranted is through the consistency of information between different sources. Therefore, the secondary sources should predominantly have other sources that support its claims, especially if this source is of theoretical value. However, it must also be disclaimed that not all the sources will have additional sources that support all the assertions highlighted in the literature review and contextual foundations.

Validity will also be controlled independently by the author, as there are certain precautions that can be considered. Here, controlling for whether the sources have credible authors in that they are qualified in the field that they are studying, the purpose behind the sources and whether they have underlying biases, sources that are peer-reviewed, and the year of publishing to

determine whether the source is still relevant are some of the strategies to aid validity of secondary sources. Moreover, the chosen sources should also clearly have a relevance towards the ambitions of the thesis to truly ensure the validity of the research. It is important to note, however, that there is also a degree of flexibility towards utilizing sources that do not necessarily have a strong academic or theoretical origin to highlight more contextual elements in this section. Therefore, sources such as news articles, blog posts, and websites will also be considered as possible sources of secondary data, as these can contain valuable, recent, and relevant insights that can strength the research process.

4.4.2 Primary Qualitative Data from Survey

The manner in which reliability can be ensured in qualitative data research is by using correlation tests (Sürücü & Masclakci, 2020). Through this process, the quantitative data is analyzed, and the results are subsequently tested to investigate that the correlation between different variables and their results are truly present. In this manner, the data is tested for consistency (in consistency) to ensure that the final conclusions are representative of the aims of the research.

To ensure that the results and the data analysis of the survey are "valid" it is necessary that what is measured is also what is purported to be measured. Here, the key elements that need to be investigated, according to the research purpose, is to investigate how SVCs have an influence on Indonesian Gen Z's purchasing intention. Therefore, survey questions will have to ensure that these elements or their sub-elements (such as social media is a sub-element of SVCs) are taken into account when designing the survey questions. Accordingly, the responses from the survey should also highlight insights related to how SVCs influence the purchasing intention of Indonesia's Gen Z.

Through the combination of both these strategies for the survey data, it is expected that the results and findings of the initial inductive research process will be more accurate.

4.4.3 Case Company Research

The aforementioned strategies in ensuring the reliability and validity of the research process are also applicable in the endeavor of researching the case company in the deductive stage. There will be primary quantitative data that originates directly from the company, and therefore this can be argued to be raw and untainted from outside sources that should already be reliable and valid. However, in regard to the qualitative data from interviews, websites, and social media content, there may be a degree of bias that should not be overlooked.

Additionally, as I (the author) personally have a direct relation towards the company, there may be biases that can influence and skew the results in the conclusion of this stage. However, as I am aware of this, I will endeavor to approach the project as objectively as possible by distancing myself from the company's day-to-day operations and utilizing sources that are outside of my direct control. In this manner, the validity and reliability can be further anchored into the research.

5. Literature Review and Contextual Foundation

Now that the method of research and framework of the project has been presented, the following section will review previous literature and research on the key thematic topics of the project. Moreover, this section will also include a thorough investigation of relevant contextual information for the research process.

5.1 Gen Z

In the ever-changing nature of generational demographics and their consumer behavior, Generation Z, often abbreviated as Gen Z, has emerged as a relevant focal point of study. Constituting the world's largest generational segment, this population is a force to be reckoned with. Here, the segment is defined as individuals who are born between 1997 and 2012 (Kasasa, 2021). However, year-of-birth is not the only important factor that describes this generation. Hence, the following will further investigate the parameters and key elements that describe Gen Z.

The average Gen Z individual received their first mobile phone at age 10.3 years (Kasasa, 2021). This segment has grown up in a hyper-connected world and the smartphone is their preferred method of communication (ibid.). Marc Prensky, in 2001, coinedd the term "digital natives" when referring to this generation, as he argued that this generation grew up along with the advent of computers, video games and the internet, making them "native" in navigating the digital spheres comparatively to previous generations (Prensky, 2001). Palfrey and Gasser, in 2008, corroborated Prensky's observation of this generation, but rather described this generation as "born digital". They stated that individuals born within this generation interacted with digital technologies which equipped Gen Z with tech-related skills, technological adeptness, and the ability to comprehend the intricacies of the digital sphere effectively (Palfrey & Gasser, 2008). Hence, one of the key elements that describes this generation is their strong ties and relations to the digital environment.

5.1.2 Purchasing Intentions of Gen Z

While it's important to recognize the individual variations between individuals within the generation, certain trends have emerged that uncover the preferences and decision-making processes of Gen Z. From the available literature, there are six primary behaviors that are worth mentioning, and they will be discussed in the following sections.

5.1.2.1 Altruistic Consumerism

Shaped by the global challenges of climate change, social inequality, terrorism, and humanitarian crises, Gen Z has often exhibited a strong sense of social responsibility and environmental consciousness, which is reflected in their consumer behavior. This generation is more likely to support brands and products that align with their values, such as environmental sustainability, ethical sourcing, or socially responsible offerings. This is especially reflected in their preference towards brands that engage in corporate social responsibility initiatives. (Edelman, 2019; Harland Clarke, 2017)

5.1.2.2 Independent Decision Makers

The desire for independence and self-expression also comes to surface amongst Gen Z. They are more likely to engage in independent research and decision-making processes before making purchases. Gen Z tends rely heavily on online reviews, social media recommendations, and peer opinions when evaluating products and services (Dixon S. J., 2023). This approach to consumption empowers this segment to make informed choices that align with their preferences (Harland Clarke, 2017).

5.1.2.3 Curiosity and Information-seeking

In 2017, a study by researchers at IBM and the National Retail Federation outlined what was unique with Gen Z. Among different insights, they could determine that Gen Z often preferred customizable products and in-depth product information (Glass, Wong, MCarty, & Cheung, 2017). Hence, the report also concluded that companies that provide comprehensive product details, transparent pricing, and educational content will be able to resonate better with Gen Z.

5.1.2.4 Pragmatic Decision-Making

Pragmatism plays an important role in Gen Z's consumer choices. Elements of functionality, durability, and versatility are often considered when selecting products and services. Hence, this pragmatic approach leads them to favor solutions that address their specific needs and challenges. Accordingly, businesses that offer practical and problem-solving products are better positioned to appeal to Gen Z consumers (Business Insider Intelligence, 2019).

5.1.2.5 Money Savers

Despite their attention to quality, Gen Z consumers are also known to be frugal and budget conscious. The tumultuous Financial Crisis of 2008, the uncertainty of the Covid-19 pandemic, along with other events in their developmental years have made Gen Z'ers become cautious spenders (Kasasa, 2021). This is corroborated by other research that showed that Gen Z are more inclined to save money and prioritize financial stability compared to their previous generations (Head Research, 2012; Harland Clarke, 2017). Accordingly, this sort of price sensitivity is something that should also be considered amongst companies when targeting Gen Z.

5.1.2.6 Love for Convenience

Gen Z's attachment to convenience is paramount to understand when learning about their consumer behavior. In a digital and globalized world, where mobile shopping, fast-shipping, and user-friendly mobile apps are integral to Gen Z's purchasing preference then the idea of convenience can understandably be taken for granted. For example, 74% of Gen Z's describe their debit card's as "essential", and over 40% of Gen Z's consider their financial institution mobile app as "essential" (when compared to the general population, this statistic was only 22%) (Harland Clarke, 2017). Hence, the focus in convenience is apparent and also understandable, given the context the live in.

The six characteristics of Gen Z highlight certain aspects that influence their consumer behavior. However, it is important to mention that the different studies, articles, and reports that have been used to characterize Gen Z are not absolute, and sometimes highlights the trends in certain continents within a specific time frame. Therefore, these characteristics only act as a preliminary guide for further research within Gen Z.

5.2 Gen Z in Indonesia

Given that the research question focuses on Indonesia's Gen Z population, it is necessary to investigate the characteristics and behaviors of the local population in Indonesia. The previous section highlighted general trends and behaviors of Gen Z around the globe, and the following section will outline national tendencies specific to Indonesia's Gen Z.

Indonesia is an archipelago that is made up of several thousands of islands, where approximately 56% of the population lives on the island of Java. It is estimated that Indonesia's Gen Z makes up approximately 27.94% of the entire population, this equates to approximately

75 million individuals. Out of these 75 million, it is estimated that 91% of them have a mobile device, and around 75% of them have a general preference towards video-based content (IDN Research Institute, 2022). IDN Research Institute's (2022) report also highlighted that every day, approximately 74% of Indonesian Gen Z uses *Instagram*, 59% uses *YouTube*, and 56% uses *Facebook*, and approximately 40% uses *TikTok*.

Moreover, Indonesians are rather collectivistic which includes strong family and community relations (Hofstede Insights, 2023). However, it also show that this concept is being challenged by Indonesia's Gen Z. Here, it is found that self-expression via consumption choices is considered important for 42% of Gen Z, compared to 26% of Indonesian Millennials (Schofield, 2018). Another report also highlighted that 60% Indonesian Gen Z perceive "tolerance" as one of their top values, which also highlights a break from the traditional values held by Indonesians in general (British Council, 2022). Both reports highlighted how that this data signals that, despite their traditional collectivistic traits, Indonesian Gen Z are showing signs of valuing individualistic tendencies.

Moreover, a global report on Gen Z found that 93% of Indonesian Gen Z believe that religion played a large role in contributing to their overall happiness (Broadbent, Gougoulis, Lui, Pota, & Simons, 2017). Indonesia's Gen Z also expressed that they believed that religion played a larger role in their everyday life compared to their own personal traditions (IDN Research Institute, 2022). Hence, when considering the Gen Z market in Indonesia, it is important to note the relations and ties that these individuals may have with their religions.

Overall, the aforementioned data and information are only to give a better understanding of Indonesia's Gen Z. It shows that digital medias have been adapted rather thoroughly amongst Indonesia's Gen Z, and that social media plays a large role in their day-to-day life. Moreover, the role of religion and collectivism has a degree of relevance for this generational cohort.

5.2.1 Indonesian Gen Z's Purchasing Intention

In this section, the research aims to illuminate commonalities between the consumer behavior of Indonesia's Generation Z with how Gen Z behaves globally. Moreover, information and data that would be relevant to Indonesia's Gen Z will also be unpacked.

The existing body of research and reports on Indonesia's Gen Z appears to validate the assertion that they exhibit a heightened inclination towards social awareness. Evidently, a study conducted by the IDN Research Institute in 2022 indicates that 66% of Gen Z individuals in Indonesia express a willingness to allocate a greater portion of their resources towards ecoconscious products (IDN Research Institute, 2022). Furthermore, an additional report authored

by *Instagram* in 2022 attests to the fact that Indonesian Gen Z individuals display a proclivity for purchasing products with a strong emphasis on social responsibility (Instagram, 2022).

Furthermore, Indonesia's Generation Z has expressed a preference for prudence and financial efficiency, aligning with the observations made in section 5.1.2.5 regarding being "money savers". The empirical evidence gathered from surveys illustrates that a significant 81% of Gen Z respondents consider "Saving money and funds for future needs" as one of their foremost life priorities (IDN Research Institute, 2022). This aspect is reinforced by a separate study, conducted by Dwidienawati and Ghandasari in 2018, which underscores the importance of financial security among young Indonesians, who are even willing to extend their work hours to attain this objective.

Moreover, further exploration into the behavior of Indonesia's Generation Z provides support for their proclivity to actively seek information when making purchase decisions. Naturally, given their financial prudence, it is expected that they engage in discerning buying choices. Coupled with their innate digital proficiency for online information retrieval comes as no surprise. Notably, what is intriguing is the burgeoning reliance of Indonesia's Generation Z on social media platforms as primary sources of information, eclipsing other traditional outlets (Rakhmayanti, 2023). Additionally, an additional report discloses that 24% and 22% of Gen Z favor *TikTok* and *Instagram*, respectively, as their preferred sources of information social media (Widi, 2023).

There are discernible behaviors within Indonesia's Generation Z that further reinforce the attributes of "Love for Convenience" and "Pragmatic Decision-Making." As evidenced by a study conducted by Simangunsong in 2018, Indonesia's Generation Z exhibits a preference for convenience and pragmatism in their product selections. The study, for instance, examined the preference for online shopping, revealing a significant propensity among a large portion of Gen Z individuals to favor online shopping over its offline counterpart. Moreover, half of the respondents who did not currently engage in online shopping expressed their likelihood to transition to this mode of shopping within the forthcoming five years (Simangunsong, 2018). This underscores the growing allure of online shopping for Indonesia's Generation Z, facilitated by the unparalleled convenience and pragmatic advantages offered by the digital realm.

In sum, from the available information gathered about Indonesia's Gen Z, then they corroborate the initial characteristics of Gen Z around the globe defined in 5.1.2. Purchasing Intention of Gen Z. Empirical evidence demonstrates young Indonesians have very similar tendencies as those around the world. However, there are also certain distinctions on how they seek information digitally through *TikTok* and *Instagram*, the increased level of online shopping,

eagerness to work longer if they can make more money, along with other empirical evidence that supports the previous segment.

5.3 Social Media Marketing

Within the business landscape, the realm of marketing and consumer engagement has undergone a profound transformation due to digitalization. The advent of social media platforms has created a large shift in the way businesses interact with consumers, providing a dynamic arena for communication, information dissemination, and brand promotion (Kaplan & Haenlein, 2010). This transformation is of global importance, but there lie great opportunities to be captured within developing nations, such as Indonesia, in terms of digital marketing (Qalati, Ostic, Sulaiman, Gopang, & Khan, 2022).

Along with the transformation into the digital sphere, different channels and forms of communication have evolved in the short existence of social media. Hence, following the transformation and constant adaptation towards new developments, such as SVCs, may prove to be essential for companies to thrive in the digitalized world. Therefore, social media marketing in Indonesia will be unpacked, the concept of SVCs discussed, and ultimately the role of digital algorithms on social media platforms of *Instagram* Reels and *TikTok*.

5.3.1 Social Media Marketing Indonesia

By January 2023, approximately 219.9 million Indonesians had access to internet, and out of these Internet users, there were an estimated 167 million Indonesians utilizing social media (We Are Social & Meltwater, 2023). Moreover, in 2022 there was an estimated 178.94 million Indonesians that utilized e-commerce, and it was predicted that this number would increase by 12.79% by the end of 2023, totaling to 196.47 million Indonesians that purchase products and services digitally (Mustajab, 2023). Therefore, the market potential for companies to capture the interests of Indonesian consumers are promising.

An independent report of Indonesia's digital adoption has investigated the total market shares of the major social media operating in Indonesia. In the report, the total number of users for the different platforms were identified, the growth in ad-reach for the individual platforms, and the total reach of ads compared to the total population of Indonesia. This data is represented in the following table, see *Table 1*:

Table 1: Social Media Usage Indonesia and Ad Performance (We Are Social & Meltwater, 2023)

Social Media	Users	Ad reach growth	Ad Reach of Total
	(in millions)	(2021-2022)	Population (2022)
Facebook	119.9	-7.2 %	43.4%
Instagram	89.15	-4.8%	41.2%
YouTube	139.0	0%	65.3%
TikTok	109.9	19.4%*	51.6%
X (Twitter)	3.55	0%	8.7%

From Table 1, YouTube proves to be the most popular social media used by Indonesians, followed by Facebook, TikTok, Instagram and lastly X (Twitter). An interesting observation is the ad-reach for Facebook and Instagram has declined in 2022. The author of the report also investigated this trend as it was interesting how ad-reach was declining, while other data showed that there was still growth in total number of users, and usage had also remained unchanged. He hypothesized this was due to a correction in the number of users by Meta in throughout 2021 and 2022, in which they had removed fake accounts or accounts that were sharing "fake news" (Kemp, 2023). To some extent, this hypothesis could be corroborated by other data that showed in every quarter of 2022, there was approximately 1.5 billion accounts globally being deleted by Meta (Dixon S. J., 2023). On the other hand, *Table 1* also shows that TikTok has the largest number of users in Indonesia (according to data by ByteDance) while boasting the biggest total ad reach and growth. If the total number of removed accounts are also considered for *TikTok*, then it shows that per quarter in 2022 there was approximately also 63 million accounts globally that were removed by TikTok for being "fake", which is substantially lower than that of Facebook and Instagram (Ceci, 2023). Therefore, it can be argued that total users and ad growth for TikTok may be inflated, and that those for Instagram and Facebook may be representing a more reliable set of data. This can also be corroborated by an online survey conducted by Indonesia's government that showed that 64.4% of Indonesians often use YouTube, followed by Facebook (60.24%), Instagram(30.51%), and TikTok (26.80%) (APJII, 2023). Nevertheless, the important aspect to note from this is that social media platforms such as YouTube, Facebook, Instagram, and TikTok have a significant potential in reaching large segment of Indonesia population. Moreover, it would be beneficial to be critical of data that can be found on *TikTok*.

From another national survey conducted in by the Indonesian government showed that 82.84% of the 1000 surveyed companies utilized social media to sell their products and services (APJII (B), 2023). Moreover, the most popular form of internet promotion was also through social media (82.75%) followed by business-websites (26.18%). Additionally, the survey also highlighted that the most popular online e-commerce platforms that Indonesian businesses utilize to sell their products are: *Tokopedia* (73.73%), *Lazada* (38.81%), and *Shopee* (34.33%) (APJII (B), 2023). Interestingly, from the survey amongst consumers, then their preferred e-commerce/marketplaces platforms are *Shopee* (56.04%), *Lazada* (32.72%), *Tokopedia* (12.8%) finally *TikTok* (8.29%). Hence, the role of social media marketing is definitely prominent, and the presence of e-commerce platforms play a large role in facilitating contact between businesses and consumers.

The inclusion of *TikTok* as an e-commerce platform has also gained notoriety within Indonesia, as the government has officially banned e-commerce trade to be present on social media platforms (CNBC Indonesia, 2023). *TikTok Shop* has been open since September 2021, and officially closed in Indonesia as of October 4th, 2023 (Oktriwina, 2023). The reasoning behind banning e-commerce social media platforms was to protect domestic businesses from being outcompeted by prices of foreign products (Wardani, 2023). Additionally, the government also believed that allowing digital algorithms controlled by foreign bodies to facilitate e-commerce on social media, could further undermine the success of local Indonesian businesses (Damayanti, 2023). It is important to note that the ban was not only directed towards *TikTok*, but all social media platforms had to uphold this new regulation. Hence, the objective of banning e-commerce was primarily for reasons of protectionism, and to separate the industries of social media and e-commerce. Additionally, this act of banning, to some extent, also proves the effectiveness of social media marketing in selling products. And this may also signal that social media marketing could potentially be regulated further in Indonesia.

5.3.2 Short-Form Video Content

SVCs were originally popularized by the app called *Vine* which first constituted of videos that were maximum 6-seconds long, and eventually became increasingly longer after *Twitter*'s acquisition in 2013 (Rowell, 2020). The success of such SVCs were imitated by other competitors and eventually in 2017 *Vine* was shut down, and this was essentially also when *TikTok* entered the SVC industry (Maidu, 2023). *ByteDance*, a Chinese internet technology company, bought *Musical.ly* and merged it into *TikTok* as of November 2017 which then started

to gain popularity amongst smart-phone users globally (Ray, 2023). The success and popularity of SVCs further encouraged other established social media platforms to integrate short-form content as an extension of their service. For example, *Instagram* introduced "Reels" in August of 2020, *YouTube* introduced "Shorts" in September of 2020, *SnapChat* introduced "Spotlight" in November of 2020 (Instagram, 2020; Sherman, 2021; Snapchat, 2020).

5.3.2.1. Commercial Short-form Video Content

SVCs provide a myriad of content through the different social media platforms. Arguably, to some extent there are no limits to the sort of content that can be found online. However, different marketing researchers have identified certain forms of commercial content that have been utilized to create engagement and eventually an intention to buy. Based on reports from a myriad of digital marketers globally it can be determined that there are three main categories of commercial content: promotional, informational, and social (Apasrawirote, Yawised, Chatrangsan, & Muneesawang, 2022; Wyzowl, 2023; Iskiev, 2022; Trucks, 2022; Levin, 2020). Promotional content generally tries to encourage or incentivize viewers to purchase a product or service by showcasing its utility, value, or comfort. This can often take the form of testimonials from past customers, product or service presentation videos, brand storytelling, and so on. On the other hand, informational content demonstrates or informs the viewer of practical information regarding the product or service. This form of content can often be represented by "how-to" videos, tutorials, product, or service demonstrations, etc. Lastly social content often relates to softer aspects of the business and company, such as their company culture, social and environmental responsibility. In this case, the content within the videos often demonstrates their internal culture, their social and environmental activism/engagement, employee interviews, and many more.

Influencers and User-Generated Content

Through social media, SVCs do not necessarily need to directly originate from the businesses themselves. The role of "influencers" and general users on social media has become increasingly relevant for businesses to reach target consumers in an authentic and transparent manner especially because social media has become a prominent source of information for consumers, but especially for younger generations (Levin, 2020). In his book, Levin (2020) argues that the advent of social media and user-generated content has democratized and decentralized attention from businesses and moved it toward influential persons. Hence, businesses are increasing their investments towards digital marketing, such as SVCs, instead of traditional marketing to gain market share. Within Indonesia, there are several studies that

have corroborated the impact SVC influencer marketing has on purchasing decisions for a variety of products (Nadhiroh, 2022; Mahardini, Singal, & Hidayat, 2023). Besides influencing the purchasing decision of consumers for products through SVC, an Indonesian study also showed that influencers have also been able to improve the perceived brand image of businesses through SVC marketing (Agustina & Sari, 2021). Therefore, businesses that wish to reach Indonesian customers, influence their purchasing decisions, improve their brand image, and presumably other benefits, should consider "influencers" as a potential communication channel.

In sum, commercial SVCs are arguably categorized as promotional, informational, or social. Businesses can choose to generate their own content and share this on social media; however, the prominence of "influencers" as channels to create SVCs on behalf of companies can arguably also be an important channel.

5.3.2.2 Merits of SVCs

There are several benefits for the marketer and the consumer of social media marketing through SVCs. SVCs present bits of information by all sorts of sources and allows the viewer to consume a myriad of different content which may be attractive to modern consumers. Potrel (2022) argued that there may be several other reasons for the attractiveness of SVC platforms for consumers. Here, he mentions creator and viewer participation, free content, lowered creative and production barriers, tailored content¹, and cross-cultural accessibility (Potrel, 2022). At its core, SVC content is perceived to be decentralized from certain institutions, and provides a freer forum for creators and viewers, alike, to share digital content and information. Social media has never been as accessible as it is today, especially due to the large presence of smartphones, even in countries like Indonesia where the vast majority have access to the internet and smartphones (Statista, 2023; APJII, 2023). It is reported that Indonesians spend an average of 2.1 hours a day watching SVCs on different social media platforms (Ipsos, 2023). Hence, it is only sensical for marketers and businesses to utilize SVCs to reach their target segments.

A report by *Hubspot* presents that commercial SVCs generate the highest Return-On-Investment and is also the dominant channel for lead generation and engagement, compared to other types of video content, like long-form videos or "Live" videos/streams (Iskiev, 2022).

¹ "Tailored content" is in reference to the complex algorithms that dictates which type of content the audience consumes when utilizing the different social media platforms. These algorithms will be further described in the following section, see "5.3.3.3 Algorithms."

Arguably, this is likely due to the low costs associated with creating SVCs, where production and investment costs are usually low. An Indonesian study further corroborated the legitimacy of utilizing SVCs as a marketing strategy for Indonesian Small and Medium Sized Enterprises (SME) (Rozaq & Nugrahani, 2023). They highlighted which types of strategic communications would be effective in this sort of marketing, where they highlighted the following strategies: *Entertainment and humor, Information Sharing and Promotion, Co-branding, Use of influencers and personalities.* Each of these strategies has proven its merit in creating engagement and consequently a purchasing intention amongst the viewers for the products in the investigated companies. Moreover, an additional study further delved into the potential of SVCs for Indonesian business, where they concluded that purchasing intention is higher when the content contained emotional aspect, instead of entertaining and informative content (Mulyadi, Isnawati, & Hellyani, 2023).

Therefore, SVCs offer a unique experience for the viewers to have closer and transparent interaction with companies, given the lowered barriers through such platforms. Moreover, SVCs also shows to be a prominent and effective marketing strategy in reaching several potential consumers and if a business is operating with a limited budget. However, purchasing intention can be optimized if the SVC also contains elements that may make the viewer "emotionally invested".

5.3.2.3 Psychological Effects of SVCs

Arguably, the sudden influx towards SVC content could be due to the development in the decline of people's attention span. A longitudinal study of attention span from 2013-2016 showed that people's attention span is declining, they argue that the influx of a large amounts of information available from various digital sources may be the cause of this (Lorenz-Spreen, Mønsted, Hövel, & Lehmann, 2019). Moreover, another study also concluded that SVCs impair the intention recall and execution of certain tasks (Chiossi, Haliburton, Ou, & Butz, 2023) However, despite the decline of attention span and impairment of intention recall, another research article also shows that SVCs do no influence the information comprehension of their users (Siehoff, 2023). With all of this in mind, SVCs are arguably an effective manner in reaching the modern man, given the shortened attention span. Despite the loss of attention span, the information presented to the viewers is still absorbed and comprehended. However, the aspect of impaired intention recall could prove to be a challenge for marketers if they wish to develop purchasing intentions through the medium of SVCs.

5.3.3 Algorithms

The role of the algorithms controlling the content on platforms, like *TikTok*, *Instagram Reels*, etc., largely influence the success of success of a commercial SVC. *Instagram* and *Tiktok's* algorithms are built on the premise of increasing the engagement and watch time of their users. These algorithms are not static because they employ machine-learning to recommend and show the users what type of content the user is most likely to interact and engage with based on their past behavior and the data available of similar users on the platform (Wang, 2022; Saima & Parappagoudar, 2023).

Although that there are certain differences between the *Instagram Reels* and *TikTok* algorithms, they both try to engage the viewer to utilize their app for a longer time. Therefore, there is a constant attempt in showcasing SVC that fits the user's profile. The SVC on *Instagram Reels* is largely influenced by four main aspects: relationships, relevance of the content, timeliness, and popularity (McLachlan, 2022). On the other hand, *TikTok* is influenced by the user's interaction and the contents of the SVC (Newberry, 2023). *Instagram*'s algorithm has a slight advantage due to the available data because often already they have data from the profiles of the users, i.e., the pages and persons they follow, the sort of content that the user has engaged with (which is not SVC), and which types of ads they prefer. Whereas, *TikTok's* users usually do not have as an extensive history that it can use recommend SVC which means that their recommendations are less biased compared to that of *Instagram's*.

Nevertheless, both algorithms utilize different elements to ensure the engagement and watch-time of their users. The algorithms analyze the available data from each SVC, which includes the music played, captions, hashtags, effects, time of posting, and the topics of the SVC. On the other hand, the algorithms also measure and collect data on which accounts the user follows, the comments posted, their preferences on content, their watch-time per video, and users interactions with advertisements (Newberry, 2023; Oladipo, 2023; Arboleda, 2023). The recommendation process is iterative on such platforms. New vidoes are put into users' feeds and their performance is measured. Subsequently, if the SVC performs well in the "batch" of users, SVC gets recommended to a larger "batch" of users. Therefore, an SVC is tested and ensured that there will be an audience for the content, since the main premise is to increase engagement and watch-time. This sort of recommendations system has inherent flaws which includes repetitive patterns, recommending unsafe SVCs because of engagement, and lack of diversity.

It is important to note that the aforementioned elements measured and collected by the algorithms surely do not highlight all of that which is considered when recommending SVCs.

6. Theoretical Framework of Purchasing Intention

An essential element that was pointed out in the problem formulation is the aspect of purchasing intention and how this can be measured to investigate the relation SVCs have on Indonesian Gen Z. Therefore, this section will outline the theoretical framework that will define purchasing intention in this master thesis. Here, from a thorough literature review, this master thesis has chosen to utilize the *Online Purchasing Intention Model* (OPIM) developed by Francesca Di Virgilio and Gilda Antonelli. This model was heavily inspired by Icek Ajzen's *Theory of Planned Behavior* (TPB), which subsequently was modified to include important parameters that included digital elements, i.e., electronic word-of-mouth and "trust". Therefore, the thesis will therefore first review TPB and consequently the choice of OPIM.

6.1 Theory of Planned Behavior

Ajzen's TPB theorizes that an individual's intention to engage in a behavior is shaped by the person's attitudes toward the behavior, subjective norms, and perceived behavioral control.

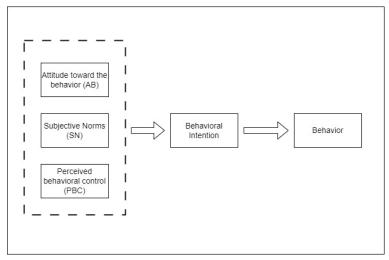


Figure 1: Adaptation of Theory of Planned Behavior (Ajzen, 1991)

Ultimately, this intention to engage in a specific behavior and the perceived behavioral control would impact the actual behavior (Ajzen, 1991; Fishbein & Ajzen, 1975). In the case of this thesis, the specific "behavior" in question is the act of purchasing a specific product, service, or experience.

It is necessary to address and define the components of Ajzen's model, and the relevance that it brings to the project. The first component that is necessary to define is the "attitude toward the behavior" (AB). This can be defined as the level or degree to which an individual has a

positive evaluation of the behavior (Di Virgilio & Antonelli, 2018). In the context of this thesis, it the behavior would be defined as buying a certain product, service or experience. Here, the aspect of "attitude" should encapsulate the idea of perceived usefulness and ease of use (Fishbein & Ajzen, 1975; Porter & Donthu, 2006). Ajzen argues that this component is often the most significant predictor in impacting the intention to engage in a behavior, and ultimately the actual behavior (Ajzen, 1991).

Subjective norms (SN), on the other hand, relate to the influence that others, such as friends, family, colleagues, and experts, may have in a particular behavior. Hence, this relates to the pressure an individual perceives regarding a specific behavior (Fishbein & Ajzen, 1975).

Lastly, the component that influences the intention to engage in a behavior is "Perceived behavioral control" (PBC). This component reflects the individual's perception of their ability to successfully complete the behavior. If the behavior is the purchase of a commodity, the aspects that define this component would be the financial flexibility that the individual possesses to complete the purchase or their confidence that the purchase will be completed successfully. Essentially, if the individual believes that they have the necessary resources and means to complete the purchase, then they are more likely to intend to do so (Ajzen, 1991; Di Virgilio & Antonelli, 2018).

Each of the aforementioned influences an individual's intention to perform or engage in a specific behavior. If their overall intention to engage in a behavior is positive, then TPB assumes that the likelihood of performing the behavior is more likely.

Strengths and Limitations of TPB

Although TPB was originally developed within the realm of psychology, it's utility has also found fruition within marketing, public health, environmental psychology, and other fields of study (Yadav & Pathak, 2017; Albarracin, Johnson, Fishbein, & Muellerleile, 2001; Ferdous, 2010). TPB provides researchers with a systematic and structured framework for dissecting the determinants of intentions, and ultimately also the actual behavior. Within the context of marketing, this creates a systematic approach in the development of marketing campaigns that is aimed at fostering positive behavioral change in favor of an organization.

One of the advantages of TPB is its predictive power. The model boasts several accounts of empirical studies that have proven its power in predicting behavior (Smith, Terry, Manstead, & Louis, 2007). However, its predictability is also limited to what is being measured within AB, SN, and PBC. Ajzen (2011) admits that the predictive quality of TPB is primarily within the measurement of behavioral intention; whereas there may be unknown factors that could

influence an individual's commitment towards engaging in the actual behavior (Ajzek, 2011). Nevertheless, Ajzek argues if TPB is adjusted appropriately, then the model should still create a substantiated prediction of people's behavior.

This leads to the next advantage of TPB: customizability. Although TPB has the three main components that determine behavioral intention, these components can be customized into subcomponents that define the AB, SN, and PBC (Ajzek, 2011). This is also the reason as to why TPB has a wide applicability within different study areas, as researchers have added variables to tailor the model for the intended research (Yadav & Pathak, 2017; Albarracin, Johnson, Fishbein, & Muellerleile, 2001).

Given the universality of TPB's cognitive constructs, it also allows for its applicability within cross-cultural contexts. AB, SN, and PBC are applicable to a wide range of behaviors and are not culture specific (Morren & Grinstein, 2021). Hence, given the context of this master thesis being situated in Indonesia, this aspect is advantageous in the research process.

There are other aspects the further cement the merits of TPB, however, the reasons are the primary factors that have influenced its application within the master thesis. Naturally, there are also certain limitations to TPB that are necessary to highlight. The simplicity provided by TPB may be a challenge. A few scholars and researchers have argued that there are factors such as emotions and affect that are neglected in the TPB, and therefore the model cannot truly map the complexity and intricacies of human behavior (Armitage & Conner, 1998).

Additionally, other researchers have also argued that the model does not include the role of past behaviors and actions. Here, they argue that actions and behaviors that are habitual could ultimately negate the effects of an individual's intentions, ultimately nullifying the engagement of the actual behavior (Conner, Warren, Close, & Sparks, 1999). An example of this was an alcoholic addiction. Where even though AB, SN, and PBC pointed out the individuals' intentions towards stopping their alcoholic habits, their actual behavior did not reflect this intention.

Moreover, TPB is weak in explaining spontaneous behaviors. Critics of TPB argue that spontaneous behaviors occur suddenly and are often driven by immediate and situational variables. Hence, these sorts of unforeseen circumstances will not be able to be explained by TPB.

In sum, TPB has proven its merit in several empirical circumstances that warrants its legitimacy and applicability within this research project. However, taking into account the aforementioned strengths (customizability, predictive power, and cross-cultural applicability) and limitations (complexity of behavior, past behaviors, spontaneous behaviors) of TPB, it is also appropriate

to further develop the model appropriately in order to accommodate the topics of the thesis effectively.

6.2 Online Purchasing Intention Model (OPIM)

Within the context of online purchasing intention, the end component of TPB would be the actual engagement of purchasing a product or a service digitally. Moreover, other components and relevant variables should arguably be included to encompass applicable parameters of online purchasing.

The *Online Purchasing Intention Model* modifies Ajzen's model by adding more components that specifies the theory to digital purchases. In the OPIM, there are two components that ultimately influence the actual behavior, in this case, the actual online purchase. An example of the model can be seen in the following image, see *Figure 2*:

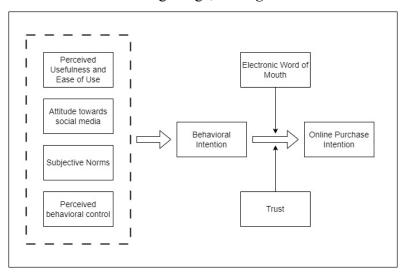


Figure 2: Adaptation of Online Purchasing Intention Model (Di Virgilio & Antonelli, 2018)

The first aspect that is different in OPIM from TPB is the component of AB. OPIM splits AB into "Perceived Usefulness and Ease of Use" (PU) and "Attitude Towards Social Media" (ASM). The core aspect of PUEU is the individual's evaluation of the utility that the product or service would create for them where the primary difference is that the behavior is specified to an act of purchase. Hence, it acts similarly to TPB's AB component. On the other hand, ASM concerns an individual's perspective of social media and measures what kind of utility or value the individual places on social media. Di Virgilio and Antonelli (2018) argue that this perception of social media is a necessary antecedent to determine whether an individual will engage in an online purchase. Hence, the greater degree of positive perception of social media

and increased perceived utility of the product or service, arguably then the more likely the individual would consider the behavior positively.

Secondly, Di Virgilio and Antonelli (2018) argue that the component of "electronic word-of-mouth" (eWOM) has an influential role in impacting an individual's online behavior. They define this component as "the exchange of product or service evaluations among people who meet, talk, and text each other in the virtual world" (Barreto, 2014; Di Virgilio & Antonelli, 2018). EWOM is unique to this generation given that its communication form is in the medium of the digital sphere. Within this environment, there is a tendency that information is not static and users along with the marketers/producers are coproducing the narratives of products, services or experiences (Kozinets, de Valck, Wojnicki, & Wilner, 2010).

Lastly, Di Virgilio and Antonelli also underline the component of "trust". They utilize Suh and Han's (2003) definition of trust, where it is described as the belief that "one can rely upon a promise made by another and that the other, in unforeseen circumstances, will act toward oneself with goodwill and in a benign fashion". Other researchers have also corroborated the necessity of trust within the e-commerce environment to facilitate online transactions (Kollock, 1999; Gefen & Straub, 2004). Within the digital sphere, trust can be complicated to navigate due to the lack of face-to-face interactions and anonymity granted through online landscapes. Therefore, the establishment and perception of trust will ultimately influence the individual's intention to engage in an online transaction (Di Virgilio & Antonelli, 2018).

Di Virgilio and Antonelli proceeds to encourage the utilization of their model by increasing the number of control variables to explore how these may influence the decision-making process (Di Virgilio & Antonelli, 2018). Within the interest of this Master Thesis, the additional variables influencing the components of OPIM will primarily be the element of commercial SVCs, and how this type of content impacts the decision-making process of Indonesia's Gen Z.

6.2.1 Calculating Purchasing Intention with OPIM

In their article, Di Virgilio & Antonelli do not deliberately write the equation to calculate OPIM. However, given the strong ties OPIM has with TPB, it is reasonable to be inspired by Ajzen's equations to calculate behavioral intention, and further develop the equation for OPIM, as shown here:

$$OPI = PI + (w_{eWOM}eWOM + w_TT)$$

$$PI = w_{PII}PU + w_{ASM}ASM + w_{SN}SN + w_{PBC}PBC$$

$$PU \propto \sum_{i=1}^{n} AQ_{PU} SQ_{PU}$$

$$ASM \propto \sum_{i=1}^{n} AQ_{ASM} SQ_{ASM}$$

$$SN \propto \sum_{i=1}^{n} AQ_{SN} SQ_{SN}$$

$$PBC \propto \sum_{i=1}^{n} AQ_{PBC} SQ_{PBC}$$

$$eWOM \propto \sum_{i=1}^{n} AQ_{eWOM} SQ_{eWOM}$$

$$T \propto \sum_{i=1}^{n} AQ_{T} SQ_{T}$$

In order to understand the equations, it is first necessary to highlight the different variables within the components. Needless to say, the PU, ASM, SN, PBC, eWOM, and T relates to the components of OPIM. Each component of the OPIM consists two essential sub-components. Each of the sub-components has a different purpose. The first sub-component relates to the attributes or elements that correspond to the component, whereas the second sub-component relates to the strength or level of influence that the participants assign to the relevant attributes. In the equations, AQ and SQ represent the sub-components of each of OPIM's components.

7. Exploratory Data Collection

Data collection will be of big importance in the exploratory research process of this thesis. The primary data collected in the analysis will be fundamental in developing theories and highlighting potential improvements in the research methodology. In the pursuit of understanding how commercial SVCs influence the purchasing decisions Indonesia's Gen Z, it would only be natural to ask Indonesia's Gen Z. Therefore, the fundamental source of primary data within this master thesis will be based on quantitative data collected from surveys filled by Indonesia's Gen Z.

7.1 Survey Design

This section will highlight how the survey was designed in order to explore the relations that SVCs have influenced the purchasing intentions of Indonesia's Gen Z. As the previous

literature review and contextual foundations have highlighted certain elements relating towards SVCs, Gen Z characteristics, and Indonesians, etc. This survey will have the goal of exploring the extents to which these are related and can be combined in order to answer the research question.

7.1.1 Survey Start

The first section of the survey asks general and fundamental questions of the participants date of birth, gender, monthly income, city of residence, occupation, usage of social media, consumption of SVC, and whether they have purchased a product or service through digital means. This information is essential to determine the relevance of the participants and whether they are within the preferred sample group, i.e., Indonesia's Gen Z.

7.1.2 OPIM

The way that purchasing intention will be calculated is from the OPIM model, the following equations will outline the calculations of the model. The presence of these equations anchor the manner in which the questions were formulated in the OPIM section.

Table 2: Attribute Questions and Strength Questions for the OPIM

	Attribute Questions	Strength Question
Perceived	Q19: "I often feel like products and services that are	Q20: "I only purchase products, services,
usefulness and	shown in SVCs can improve my lifestyle."	experiences through social media based on my
value of utility	Q21: "Products and services that are promoted in SVCs	needs"
(PU)	often reflect a lifestyle a yearn for"	
Attitude toward	Q17: "I believe that social media, in general, has a	Q29: "I agree that SVCs influence my attitude
social media	positive impact on my life."	and behavior on a day-to-day basis"
(ASM)	Q18: "I believe that SVCs, in general, have a positive	
	impact on my life."	
Subjective	Q22: "My social circle views products and services in	Q24: "Influencers, "content creators", and
norms (SN)	SVCs as something positive."	people that I follow on social media have a
	Q23: "My family encourages me to try products or	significant influence on my purchasing
	services that they have found in SVCs"	decisions."
Perceived	Q25: "I only purchase products from social media based	Q26: "I feel certain that I have the ability to
behavioral	on their cheap price"	make the correct purchasing decision when a
control (PBC)	Q27: "External factors, such as deliver and payment	product or service is promoted in an SVC"
	method, has never disrupted my ability to purchase a	
	product or service off of social media."	

Electronic Word-	Q37: "I prefer to buy products and services if a celebrity	Q39: "SVC reviews of products and services
of-Mouth	or influencer supports it."	play a significant role in my purchasing
(eWOM)	Q38: "I only consider products and services that have	decisions"
	been reviewed by another person in an SVC"	
Trust (T)	Q34: "In my opinion, Likes, follows, and views on an	Q35: "I believe that product and services that
	account makes the profile more trustworthy for online	are promoted in SVCs are, in general, better
	purchases."	than what I can find myself."
	Q36: "I am sure that what is shown on SVCs and social	
	media will also be delivered to me if I make the	
	purchase."	
	I	

As seen in *Table 2* each of the components of PU, ASM, SN, PBC, eWOM, and Trust have been given specific statements that are labeled "Attribute Questions" and "Strength Questions". Each statement has been curated to secure their relevance towards Gen Z, SVCs, social media, purchasing intentions, and their individual relation to the participants. In the following section, the considerations and rationale behind the different questions is described, and these questions are all in reference to *Appendix 17.2.1 English Survey Questions*.

7.1.2.1 Perceived Usefulness and Ease of Use (PU)

The attribute questions of Q19 and Q21 relate to the participants' perception of usefulness and value of utility of the products and services presented to them through SVCs. Q19's statement inquires the participant on whether they perceive the products and services shown in SVCs would benefit their lives. Whereas Q21's statement questions whether the products and services from SVCs reflects the lifestyle that the participants want and need. Despite being relatively similar, the two questions differ in which how the promotional SVCs benefit them, where Q19 relates to their immediate situation while Q21 relates to their forthcoming wants and needs. Hence, these questions should enlighten the perception of how the participants view the utility and usefulness of products and services from SVCs in their current situation and their future. Whereas Q20 relates to the degree to which the participants make purchasing decisions based solely on their needs. The use of the adjective "only" creates the perception that the idea of "needs" is the predominant incentive which influences purchasing decisions, provides the participants the opportunity to evaluate the degree to which they believe this is applicable to them. Therefore, the use of Q20 as the strength question should give insight to how Indonesian Gen Z evaluate the component of PU.

Besides being a component of OPIM, PU can also reflect the value of pragmatism in purchasing for the participants. Given that "pragmatism", as it is defined in 5.1.2.4 Pragmatic Decision-

Making is the proclivity of individuals to "favor solutions that address their specific needs and challenges", which is largely the concept of PU. Thus, the component of PU is multi-faceted and is not solely a component to measure purchasing intention.

7.1.2.2 Attitude Towards Social Media

Q17 and Q18 inquires the participants' general attitudes towards social media and SVCs. By questioning whether they believe that these two factors, in general, have a positive influence on their lives should highlight their overall attitude towards these concepts. The only difference between the two statements is the topic of inquiry: social media and SVCs. To remain focused on the study area, these questions were chosen to reflect their general attitudes of social media and subsequently their attitudes towards SVCs. Therefore, these questions were designated as questions that define the component of ASM, to both give a broad view of social media and specifically inquire towards SVCs.

On the other hand, the strength question, Q29, seeks to determine the degree to which SVCs, specifically, influence the participant's day-to-day attitudes and behaviors. Here, the ambition is to determine the level of influence that social media has on the daily lives Indonesia's Gen Z. By inquiring the degree to which the participants believe their attitudes and behaviors are impacted by SVCs, it would ultimately also hint towards the possibility of SVCs influencing their purchasing intentions or not.

7.1.2.3 Subjective Norms

The subjective norms are related to the direct social environment of the participants, i.e., their friends, colleagues, and family members, and whether the view the behavior of SVC purchasing as something favorable. Q22's statement seeks to determine whether the participant's social circles perceive the SVC purchasing as a positive phenomenon. While, Q23 inquires the role of the participant's family in affecting their purchasing decisions through SVCs. Hence, these questions ask the participants about two different attributes within SN, friends and family, and how the participants believe these subjects view SVC purchasing. In regard to the strength question, Q24 asks whether the participant's online social circle plays a significant role in the participant's purchasing decision. Here, the question aims to determine the motivation of the participants to comply towards their social circle's beliefs and requests regarding SVC purchasing. In this manner, Q24's statement should be able to determine the degree to which the SN attributes actually impact the participant's purchasing decision.

7.1.2.4 Perceived Behavioral Control

The PBC component relates to a participants' ability to engage in specific behavior, in this case, a purchase incentivized by an SVC. The participant's engagement towards a purchase incentivized by an SVC is determined by controlling factors, in the case of purchasing, the ability to pay for the product and the process of accessing the product or service. Here, Q25 questions the participants whether the price of the product or service is a determining factor in their SVC purchases. While Q27 inquires whether the controls relating to logistics and payment methods have prohibited the participant's engagement in purchasing a product or service from social media. The aspects of affordability and delivery were chosen as control beliefs because they directly impact the purchasing decision, which is why Q25 and Q27 were designated as the attribute questions.

The strength question of PBC determines how the participants perceive the power that these controls have over their purchasing intention. Thus, Q26 asks the participants to what degree they believe they can evaluate their controlling beliefs, and ultimately make the "correct" decision regarding an online purchase. Here, by uncovering the participant's perceived control over the aforementioned attributes, the strength or degree of influence of the component is determined.

7.1.2.5 Electronic Word-of-Mouth

The OPIM model also argues eWOM affects the online behavioral intention before it evolves into the actual behavior. The attribute questions comprises of Q37 and Q38 where the first seeks to uncover the participant's preference towards electronic messages from online "influencers" and celebrities, while the latter endeavors to determine the attribute of online product and service reviews by persons through SVCs. The first question evaluates the role of the influential persons in the components eWOM, while the second question appraises the value of SVCs containing "product reviews" from the perspective of the participant. While Q37 explores the individual or person behind the eWOM, Q38 evaluates the relation that the participant has towards SVC product/service reviews. Thus, the differentiating purposes of the questions gives a more nuanced understanding of the participant's perspective of eWOM.

On the other hand, Q39 inquires the degree to which SVC product reviews play a role in the purchasing decision of the participant. As defined in 6.2 Online Purchasing Intention Model, eWOM is the evaluation of a product or service through digital means. In the context of SVCs, this would therefore be SVC product/service reviews in which digital accounts evaluate certain

product or services. Therefore, enlightening the significance of these SVCs in the purchasing decision of the participant should give a strength evaluation of the eWOM component.

7.1.2.6 Trust

Trust primarily relates to the dependability a participant can put onto the process of making a purchase in the digital realm. The first attribute question of this component is Q34 that outlines the manner in which trust is constituted on social media platforms hosting SVCs, which is why it involves terms such as "likes", "follows", and "views". Whereas Q36 inquires the participant of the participant's perception of the reliability of products and services found in SVCs. Ultimately, these questions serve the purpose of determining highlighting where the participants place the value of trust and evaluate the manner in which they perceive the products and services from online sources.

While the strength question is composed of Q35 which questions the participants' evaluation of their own capability and the capability of SVCs to find preferable products. By matching the participant's capability and the capability of SVCs to find suitable products, this should also underline in whom the participant depends on. Therefore, Q35 should also highlight the degree of trust that the participant's place on SVCs.

7.1.3 Influenced or not Influenced by SVCs to make a purchase.

They survey also created an important aspect that was to deliberately split the participants into two distinct groups: those who have been positively influenced to make a purchase because of promotional SVCs (P+) and those who have not made a purchase because of an SVC (P-). This intentional division served two primary purposes.

Firstly, its aim is to uncover the prevalence and impact of SVCs on purchasing intentions within the Indonesian Gen Z population. By distinguishing between those influenced to make a purchase and those not swayed by SVCs, the survey tries to quantify the percentage of individuals falling into each category. This quantitative insight would provide a foundational understanding of the reach and effectiveness of promotional SVCs within the studied demographic.

Secondly, the split would also facilitate a nuanced analysis of the overall OPIM scores between the two distinct groups. By comparing the OPIM scores of participants who had made a purchase due to SVCs (P+) with those who had not (P-), the survey aimed to discern any significant differences in their purchasing intentions.

Moreover, given that P- have not made a purchase based on an SVC, their eWOM questions and Trust questions are also more generalized towards social media instead of specifically in

reference to SVCs. This is primarily to avoid creating non-sensical questions for the survey participants.

7.1.4 Supplementary Questions

The survey, however, does not only pertain to questions that relate to OPIM. As the purpose of the survey is exploratory, there are also additional questions that were supplemented into the process to uncover a broader understanding of Indonesian Gen Z's relation to SVCs and purchasing intentions.

First, these questions aimed to highlight some of the general Gen Z characteristics for purchasing intentions. Moreover, these questions investigated further into the types of content that Indonesia's Gen Z felt like had a larger influence in their purchasing decisions. The participants were asked whether "entertaining", "trending", and "educational" content in SVCs had a large influence in their purchasing decision. Moreover, questions that related to the role of religion and whether it influences their purchasing decisions were also explored.

Although it can be argued that several other variables could have been explored, the aforementioned elements were those which seemed most relevant based on the previous literature and contextual findings.

7.2 Sampling Method

As Indonesia's Gen Z is the subject of research, it is therefore valuable to gain insights, attitudes, preferences, and data on these individuals. Given the digital presence of Gen Z on social media platforms, conducting an online survey, and sharing them on different social media proved to be an appropriate method in reaching the intended individuals. A convenience sampling technique was implemented to recruit participants who meet the age criteria for Gen Z (Dillman, Smyth, & Christian, 2014). Here, different efforts have been undertaken to share and increase the number of respondents of the survey, this includes sharing the survey through social medias such as: Instagram, TikTok, and WhatsApp. Here, several online "influencers" were also contacted to share the survey with their audience to increase the reach of the survey. Granted, there is a degree of self-selection bias using this social media method since Indonesia's Gen Z who do not have access internet or social media are automatically eliminated from the survey. However, as the research question specifically tries to understand how SVCs influence the purchasing intentions of Indonesia Gen Z, there is already an inherent assumption that the target group is utilizing social media and watches SVCs. Hence, the Gen Z individuals that do not consume SVC are deliberately not included in the consideration of this master thesis.

In terms of confidentiality and ethical concerns, the survey was constructed on *Google Forms* where the data is collected securely. Moreover, the participants were also given anonymity in the survey process, and they were also given the option of not answering the questions, if they felt that it was infringing on their privacy. They were also informed that the data obtained from the survey would be used for an academic purpose and used in that manner. However, the survey also allowed the participants to be involved in a raffle to win paid hotel vacation in Indonesia. Here, participants were informed that if they wished to participate, they would need to share their email address to win the chance of a paid vacation.

7.3 Time Frame

The time frame of the data collection is also relevant to highlight. A cross-sectional design has been employed, in which a "snapshot" of empirical data is collected within a given time frame. Here, the survey was open to the public for approximately three weeks, in which the individuals could access and answer the digital survey. Alternatively, a longitudinal study could have been conducted in which the same subjects would answer the same questions over a specific time period. A longitudinal study would have resulted in a more dynamic analysis on how variables change for the subjects and could give deeper insights towards underlying mechanisms and phenomena that influence purchasing intention (Malhotra & Nunan, 2017). Nevertheless, a cross-sectional design was chosen as the ambition of the thesis is to firstly explore the landscape of Indonesia's Gen Z and SVCs. In the initial inductive stage of the abductive research process, the depth of information is, arguably, not as necessary as the wide scope of important information. Therefore, a cross-sectional design will suffice for this stage of data collection.

7.4 Reflections of Survey Design

Despite the considerations and rationale behind the conception of the survey, the survey has limitations that may impact the later analysis of the data. Thus, these reflections will be discussed in this section.

Arguably, the exploratory ambition of the survey solicits that there also should be an endeavor to further uncover elements that have not been investigated in the literature review and contextual foundations. Although, there was an attempt to do so within this survey, this aspect could have been further developed within the survey design to ensure a wider scope of research of how SVCs influence Indonesian Gen Z's purchasing intentions.

Moreover, regarding the quantity of questions in the survey, additional questions relating to the different components of OPIM could have supplemented more nuanced perspectives. This is

in regard to both the "attribute questions" and "strength questions". The current design uses the current "strength questions" to determine the strength of both the "attribute questions", which subsequently means that the attributes of the components are weighted equally. An alternative method would be to systematically develop a "attribute question" and a corresponding "strength question" to evaluate the individual component. However, this would likely also have significantly increased the number of questions in the survey and an increased duration of the survey for the participants, which could potentially have harmed the completion rate of the survey.

On the other hand, the quality of questions in the survey could also arguably have been higher. Here, an acknowledgement that the formulation of the questions is not perfect, and more concise and specific language could have been utilized to investigate the topic more effectively. This is also applicable to the questions correlated to OPIM, where certain components could have used a higher degree of precision to avoid confusion related to the questions.

This limitation is only exacerbated by the translation process between English and Indonesian, as I do not personally have the language skills of a local Indonesian. Which also outlines an additional limitation in the exploratory quantitative data collection. As the questions were originally formulated in English and subsequently translated into Indonesian, there is a risk that certain elements were "lost in translation". Despite taking the precautions of using online tools and the aid of competent English-and-Indonesian speakers, the risk is still present especially given the vast differences between the languages.

8. Data Analysis from Survey

This first data section of data analysis is an endeavor of the initial step of the abductive research process, in which an explorative inductive approach is taken to evaluate the primary data from the survey conducted on Indonesia's Gen Z. In total there were 210 participants who submitted answers to the survey in the duration of the two weeks it was active. Out of the 210 participants, there were 20 participant answers that were removed from the data set because they did not fulfill the Gen Z requirement. Therefore, in total there were 190 responses that were used in the data analysis.

This section will be split into two distinct sections. The first will explore Indonesian Gen Z's engagement with social media platforms, their preferences, usage patterns, and the specific impact of short-form videos on their consumer behavior. Next, a deeper analysis will utilize

the OPIM model to help evaluate purchasing intentions amongst Indonesian Gen Z related to promotional SVCs.

The data analysis aims to create a better understanding of Indonesia's Gen Z and potentially illuminate insights and uncover underlying mechanisms. Accordingly, this should aid in the theory construction which will subsequently be tested, refined and validated in the following deductive stage.

8.1 Base Data Analysis

8.1.1 Indonesian Gen Z and Social Media

The survey has shown several insightful findings regarding Indonesia's Gen Zon social media. First of all, from the data it shows that the most popular social media used by the participants is *Instagram* in which 96.7% preferred this social media platform, where 58.4% also preferred *Youtube* and the third platform was *TikTok* with 46.8% of the participants claiming it to be their preferred social media platform (Appendix A – 5.). Arguably, although the participants used different social media platforms, it is also obvious that *Instagram* is the most popular platform. Comparative to the previous literature review, *Instagram* has a larger influence than the original 74% showed by the previous research by IDN, ref. "5.2 Gen Z in Indonesia". Moreover, the data shows that *Facebook* has a minimal level of attraction for the Indonesia's Gen Z, given that only 13% votes on *Facebook* as their preferred social media.

52% of the participants "agreed" or "strongly agreed" to price being an influential factor in their purchasing decisions (Appendix A-2.). While 32% of the participants were "neutral" on this parameter. Although the majority of participants do believe that price was a determining factor, there were still a considerable amount of participants that had reservations towards this statement. In comparison, the number of participants that "agreed" and "strongly agreed" to that "necessity" was a large contributing factor in their purchasing decisions was 36% and 38%, respectively (Appendix A-4.). Here, 74% of the participant's believed that their purchasing decisions relating to SVCs were highly influenced by their "needs. Therefore, even if Indonesia's Gen Z does seem to be relatively price sensitive, they claim to be more cautious of the necessity of the products or services in SVCs for their lives. Additionally, 55% "agreed" (24%) or strongly agreed" (31%), to that they preferred to purchase from online stores compared to offline stores (Appendix A-3.). This signals that Gen Z do have a certain proclivity towards convenience in their purchasing behavior.

Additionally, 41% of the participants spend 2-4 hours a day, however there are still 35% of that claim to use approximately 4-8 hours a day on social media (Appendix A - 13.). Hence, the

vast majority of Indonesia's Gen Z claim to spend more than 2 hours a day on social media. Comparatively, the average Indonesian's spend approximately 2.1 hours a day on social media, when not controlled for their generation group, ref "5.3.2.2 Merits of SVCs". Hence, this insight could be used to argue that Indonesia's Gen Z, on average, spend more than 2 hours a day on social media. Moreover, the data also showed that 84% of the respondents "agreed" or "strongly agreed" to that they will search additional information about products or services that they have been recommended through SVCs (Appendix A - 1.). This could highlight the proclivity that the demographic does believe their access to additional information surrounding certain products or services is easily accessible, and they wish to assure that their purchasing decisions are sound.

In terms of preferred social media platforms for watching SVCs, the data sheds light on participants' preferences. Notably, a significant 87.9% of participants express a preference for *Instagram Reels*, establishing it as the predominant choice. Subsequently, 80.5% also favor TikTok, securing a noteworthy second position. Meanwhile, *YouTube Shorts* emerges as the third most popular platform, with 53.2% of participants acknowledging their enjoyment of SVCs on this channel (Appendix A - 6.). While *Instagram* and *TikTok* clearly dominate, the noteworthy presence of *YouTube Shorts* suggests a potential trajectory for heightened competition within the Indonesian SVC market in the foreseeable future.

8.1.2 SVCs

Compared to the time that Indonesia's Gen Z spends on social media, the average is a lower for how much time they spend on SVCs. The data shows that 37% spend 2-4 hours and 35% spend 1-2 hours on watching online SVCs (Appendix A - 13.). However, 15% of the respondents still say they spend 4-8 hours a day watching SVCs. Compared to the amount of time that the respondents claim to spend on social media, these findings are justifiable.

Out of different types of content that is available through SVCs, the respondents have also highlighted what are their preferred types of content. Here, the three most popular categories are "Comedy entertainment", "Culinary", and "Traveling" with 66%, 49%, and 45% respectively (Appendix A - 7.). Interestingly, the 4th most popular category was "Product/Service Reviews" with 23% of the respondents preferring this sort of content.

The survey also asked whether the participants have purchased a product, service, or experience because of being influenced by an SVC. Here, 89% of the participants answered "yes" (Appendix A – 11.). Subsequently, they were also asked with social media platform influenced

their purchasing decision, and here 63% of the respondents said that TikTok made them buy it. Comparatively to the next influential social media platform, Instagram, only comprised of 30% of the participants (Appendix A – 10.). Which was followed by $Shopee\ Video$, an e-commerce platform who also host SVC sharing services, with a mere 3%. Hence, it is rather intriguing that despite the popularity of $Instagram\ Reels$ as an SVC platform, then TikTok still has a bigger influence on purchasing intentions than other platforms.

Additionally, there were also questions that uncovered other interesting findings about Indonesia's Gen Z. One survey question asked to what extent do the participants agree to the statement "I agree that SVCs influence my everyday actions and behaviors", in which 34% "agreed" and 14% "strongly agreed (Appendix A – 16.). Although this does not reflect actual purchasing intention, a large proportion of the participants admit that their actions and behaviors are influenced by SVCs. Moreover, the statement of "I often feel that products and services that are shown in SVCs can improve my lifestyle." was also asked to see to which degree the participants agreed. Here, it showed that 40% "agreed" and 14% "strongly agreed" to this statement, which means that over half of the participants felt that this was a true statement for them (Appendix A - 17.). Additionally, another statement was phrased as "Products and services that are promoted on SVCs often reflect the lifestyle I dream of" where 38% "agreed" and 15% "strongly agreed" to this statement. Arguably, the degree to which the participants agreed to the aforementioned statements shows that products and services promoted on SVCs do leave an impact on the Indonesia's Gen Z. At a conservative estimate, more than half of the Indonesian Gen Z participants believed that the products and services promoted on SVCs would benefit their everyday life.

8.2 Purchasing Intention

This section will highlight how the theoretical framework of the OPIM is utilized in this project to calculate the purchasing intention of Indonesia's Gen Z.

There are in total three questions that are correlated to the individual components, and two of the questions relate to the variables that define the components and one question evaluates the degree to which the participants value overall component. Hence, answers that range from 1-5 in the Likert scale from the variables influencing the component are multiplied together and divided by 2 to achieve a more balanced score of the variables. Next, this number is multiplied by the factor that determines the degree of membership or value that the participants put onto the component, whether it is the PU, ASM, SN, or PBC. The resulting number is subsequently divided by the highest possible outcome (25) to give the component a score.

In the data analysis segment, a comprehensive scoring system has been devised to assess and interpret the results. This system operates on a scale ranging from 0 to 1, where a perfect score of 1 signifies optimal performance. Within this framework, scores falling within the range of 0.32 to 0.36 are considered neutral, indicating a mid-level or neutral assessment. Scores ranging between 0.04 to 0.32 are categorized as relatively low scores, denoting a less favorable performance within the assessment parameters. The scoring system aims to provide a clear and structured evaluation of the data, allowing for a nuanced understanding of the varying degrees of purchasing intentions.

These calculations are completed onto all the eligible survey answers to determine the first stage of purchasing intention relating to SVC's and Indonesia's Gen Z. As shown in the equation, there are prerequired calculations that need to be met to determine the PI, specifically the weights of the for PU, ASM, SN, and PBC. The way in which this was approached was to find the average of all the components, sum them together, and the averages of the different components are then divided by the total sum of the averages. This is how the weights of the components are calculated and the following table represents these findings, see *Table XXX*:

Table 3: Calculated Weights for Components of OPIM

Components	W_{ASM}	WPU	w_{SN}	WPBC
Weights	23.06%	28.84%	22.26%	25.84%

The table shows the calculated scores of the individual components, where PU is the component that bears the largest weight compared to the other components, and is followed by PBC, ASM, and lastly SN. To some extent, this supports Ajzen's observation that PU often is the most influential component that determines behavioral intention. With the calculated weights, the PI can be calculated to give an overview of how the respondents score. On average, the PI amongst respondents is equal to 0.503 while the median is 0.489. Here, the perfect score would be 1, and can be interpreted as that the participants have 100% intention to make an online purchase because of an SVC.

However, when the participants are split into two who has purchased a product, service, or experience because of an SVC, there are certain differences in the results of their behavioral intention. Here, on average P+ scores 0.52 and their median lies at around 0.5. Whereas, for P- the behavioral intention scores are lower than that, scoring at an average of 0.39 with a median of 0.4. Therefore, it can be observed that on average Indonesian Gen Z who have not

purchased a product, service, or experience because of an SVC have a lower intention to engage in online purchasing, compared to those who have purchased because of an SVC.

8.2.1 eWOM and Trust

Accordingly, the OPIM also argues of the role of eWOM and Trust, so naturally these components have also been calculated to determine their role in online purchasing intention. As the survey splits into two flows, P+ and P-, hence these scores have been calculated separately. The weights for the two components are calculated in the same manner as the previous components, where the only difference is the how the weight is distributed. For eWOM and Trust the weights are only distributed amongst the two components. This will have a higher significance in the total calculation of online purchasing intention, as the total score of online purchasing intention will be based off a score of 2 instead of 1. However, given that the OPIM also separates behavioral intention from eWOM and Trust, this is the process in which the model will be calculated.

On average, for P⁺ the eWOM scores (without adjusted weights) score around 0.54, whereas Trust scores 0.48 out of 1. On the other hand, on average eWOM for P- scores 0.43 and 0.29 for Trust out of 1. Already, it is clear that eWOM and Trust is relatively lower for P- than that for P+; however, most notably is the discrepancy between *Trust* for P+ and P- participants. Hence, it can be argued that those that have not made a purchase because of an SVC have a lower Trust and attitude towards eWOM compared to those who have made a purchase. However, even when the weights have been adjusted for the *Trust* and *eWOM*, for *P*- are on average the scores are 0.17 and 0.26, respectively. Whereas, for P+ it is 0.22 and 0.29 for Trust and eWOM. This still shows that there is a difference between how the two groups views online purchasing. Additionally, in both sets of data, it shows that eWOM plays a larger role in the purchasing intention compared to Trust. Arguably, this can be attributed to two reasons: Indonesia's Gen Z places a higher value towards the recommendations and product reviews of online individuals, or because Indonesian Gen Z hold a degree of uncertainty towards online purchasing which results to a lower level of *Trust*. Feasibly, it may also be a combination of both factors that have created the results. However, the fact that for both measures of Trust and eWOM the scores are considerably low, may prove that these components actually play a relatively small role in the purchasing decisions of Gen Z.

8.2.2 Online Purchasing Intention

The final step to the OPIM model is to combine data from the calculations of BI, *eWOM* and *Trust*. As mentioned, the maximum score that determines online purchasing intention is 2.

Based on the equation above, the following table demonstrates the differences between results, see *Table 4*.

Table 4: Average and Median OPI scores of P+ and P-

	P+	P-	Total
Average	1,03	0,82	1,01
Median	0,99	0,8	0,97

The table above highlights the average and median scores of the online purchasing intention of the participants, where it shows that those who have not made a purchase because of an SVC score lower than those who have. This already provides insight to how online purchasing intentions of Indonesia's Gen Z regarding SVCs.

From these results, it was possible to perform a regression analysis on the two important variables of OPI and whether the participants have purchased because of an SVCs' recommendation. Here, the OPI was used as the dependent variable while the "purchase because of an SVC" was used as the independent variable in the analysis. The analysis proved that there is some correlation between the two variables given that the correlation coefficient is 0.227. Moreover, the P-value from the analysis resulted to 0.0016 which is lower than 0.06, which confirms that there is a linear relationship between OPI and whether a participant has purchased because of an SVC. This is rather significant discovery as it confirms, to some extent, that the OPIM model works in determining purchasing intention, at least based on previous behaviors of the participants.

8.2.3 Gender and Purchasing Intention

By calculating the BI and the online purchasing intention, it also opens the possibility of further analyzing the collected data when compared to other variables, in this case, gender. The data analysis shows that there is a slight difference in purchasing intention between male and female. The data shows that Indonesian Gen Z men, on average, have a higher score in purchasing intention of SVCs compared to the Indonesian Gen Z women. Here, the data shows that the average purchasing intention amongst men is 0.528, whereas is only 0.488 for women. When a regression analysis is performed on these two variables of gender (independent variable) and PI (dependent variable). It shows that the correlation coefficient is 0.137 while having a P-value of 0.602. Therefore, it can be concluded that although there is limited correlation between the two variables, and that there is no linear relationship between them.

8.2.4 SVC Consumption and Purchasing Intention

From the analysis, there has also been an opportunity to determine the differences between the purchasing intention of participants who spend more or less time daily watching SVCs. The relevance of this information can be used to see whether a pattern can be identified between the consumption of SVCs and purchasing intention. The following table presents the results from the calculations of these variables, see *Table 5*:

Table 5: Average PI Scores Depending on Time Spent on SVCs

Time on SVC	<1 hour	1-2 hours	2-4 hours	4-8 hours	>8 hours
Average scores	0.516	0.475	0.491	0.515	0.566

As shown in the table, the average PI of participants who spend 1-2 hours a day watching SVCs is 0.475, then increases to 0.491 for those who spend 2-4 hours, to 0.515 for those who spend 4-8 hours, and lastly is 0.566 for those who spend more than 8 hours a day watching SVCs (Appendix A). Although, data also shows that those who claim to spend less than an hour watching SVCs also have an average PI of 0.516 which is like that of those who spend 4-8 hours a day on watching SVCs, which also highlights an interesting phenomenon.

To ensure whether there is a relation between the two variables, a regression analysis is utilized where PI is the dependent variable and the amount of time spent is the independent variable. From the regression analysis, the correlation coefficient is equal to 0.068, which is a very low correlation between the two variables. Moreover, the P value is equal to 0.351 which confirms the null hypothesis of there being no linear relationship between the *PI* and the amount of time spent watching SVCs. However, when the data is adjusted to ignore respondents who claim to spend less than 1 hour a day watching SVCs, the correlation coefficient increases to 0.115. This means that there is some correlation between the two variables; however, this correlation is arguably insignificant. Moreover, in this calculation the P-value, despite being lower, is still 0.135 which confirms the null hypothesis again of there being no linear relationship between the two variables.

8.3 Summary of Data Analysis

From the survey it has been possible to highlight interesting findings about Indonesia's Gen Z and their purchasing intention related to commercial SVCs. First of all, there are insightful findings from the basic answers from the participants. Here, it was insightful to see that *Instagram* and *TikTok* were the preferred social media platforms used to enjoy SVC. Another

important figure is the number of Indonesian Gen Z that have purchased a product, service or experience because of an SVC, where the overwhelming amount had done so. Accordingly, the data also showed that *TikTok* was the dominant platform that influences Indonesia's Gen Z to purchase products, services, or experiences through SVCs compared to that of other platforms. Thus, there is substantial data that supports the idea that commercial SVCs have a significant influence on the general purchasing intention of Indonesia's Gen Z.

In terms of where Indonesia's Gen Z values lie regarding purchasing intention, the weighting system suggests that the perceived usefulness and utility (PU) is the strongest component in the PI equation. Hence, this is the biggest determining variable that Indonesian Gen Z that influences their purchasing decision. On the other hand, the component that weighed the smallest was SN, which relates to the individual's social circles and the influence these have on the subject's purchasing intention. The fact that this scored the lowest of the different components, shows that Indonesia's Gen Z is not heavily influenced by their direct family and friends when it comes to purchasing because of an SVC.

The analysis also highlighted the different attitudes towards *Trust* and *eWOM* between participants who had or had not purchased because of an SVC. Where, *eWOM* and *Trust* was lower for *P*-. Here, the biggest difference was in *Trust*, where the score was significantly lower for *P*-.

Additionally, through the OPIM, insights have also been uncovered regarding the purchasing intention of Indonesia's Gen Z. The most significant is the relation between OPI and the participants past behavior of purchasing because of an SVC, where it showed that there was a linear relationship between the two variables. Here, it showed that OPI would be higher for P+, compared to P-. On the other hand, despite having differences in the average scores of PI between men and women, the data showed that there was relationship between the two variables. In terms of amount of time spent on SVC and PI, the data shows that there is a small degree of correlation between time spent and P+ and P-. Initially, the average PI scores could argue that the more time spent on SVCs would result to a higher PI. However, the regression analysis showed that this relation is insignificant, and that the mathematical calculations cannot necessarily support the idea.

8.4 Limitations of the Data Analysis

Limitations to data analysis is natural in any research project. Indonesia's Gen Z population is more than 75 million individuals who are spread across different geographical locations on the South East Asian archipelago. From the sample size that has been collected of 210 respondents,

in which only 190 were applicable for the research, the results can have confidence level of 90% and a margin error of 6%. However, to reach a preferred confidence level 95% and a margin of error of 5%, it would be necessary to have at least 385 responses to the survey. Therefore, the conclusions that are drawn in the research project will only have a confidence level of 90% and it would be need to accept a margin of error of 6%.

Similarly, another of the limitations of the data analysis is the number of respondents that had "not" purchased because of an SVC (*P*-). Despite playing a large role in the overall analysis, there were only 20 subjects in this category. An analysis of only 20 responses has little significance in terms of the possibility of finding insights that can be applied towards the rest of the Indonesian Gen Z population.

Another significant limitation towards the data analysis is the survey split design of P+ and P-. The manner in which the digital survey recorded the data of the participants, particularly in regard to eWOM and Trust, caused a discrepancy for those participants within the P+ section and P- section. Hence, the eWOM and Trust scores for P+ and P- are arguably not comparable given that they are based on different variables. This has great consequences towards the final calculations of OPI, given that eWOM and Trust are components in the total calculation. Hence, the only manner in which the data for OPI can be used in the data analysis was in its totality and not in comparison with other variables other than P+ and P-. Thus, the scores of OPI were unjustified to analyze against the primary PI scores and its sub-components, given the changes within the variables of eWOM and Trust in the survey flow. Nevertheless, the findings of the scores of eWOM and Trust can still contain valuable information that highlights underlying factors for purchasing intentions, and similarly the PI scores are still valid and reliable.

9. Theory Building

The exploratory inductive research process has enlightened several insights in regard to Indonesian Gen Z's purchasing intention related to commercial SVCs. The initial stage of literature review and the contextual foundation highlighted important factors that aided to guide the survey design and questions. The survey, by extension, aided in confirming, exploring, and uncovered insights regarding the purchasing intention of Indonesia's Gen Z. Despite the vast scope of the inductive research process, there would be an endeavor to construct theories based on relevancy and documentation from the inductive research stage. The challenge of this sort of approach is the selection of which data is relevant and strongly documented to justify the

construction of a theory. Hence, by keeping the research question in mind of how SVCs are influencing the purchasing intentions of Indonesia's Gen Z, the constructed theories should be able to answer the premise of the master thesis.

9.1 Theory 1

The characteristic of "pragmatic decision-making" can also be argued to be very present in the behavior of Indonesia's Gen Z. As mentioned in the 7.1.1.2 Perceived Usefulness and Ease of Use in the 7.1.1 Survey Design, the component of PU should also reflect the value of pragmatism for the participants. Hence, it can be argued that pragmatism amongst Indonesia's Gen Z, when related to promotional SVCs, is of high importance when they need to make a purchasing decision. Conceivably, aspects of SVCs can also be taken into consideration in this parameter, specifically their algorithms. Knowing that the SVC algorithms have studied the individuals' interests, behaviors, and preferences and subsequently recommends SVCs based on this data. It would be justifiable to assume that products and services that the individuals seek to solve their wants and needs are also shown to the "correct" audience. With this logic, it should be safe to suppose that commercial SVCs largely "fulfills" the PU component of OPIM. Which subsequently also leads to the increase in purchasing intention amongst Indonesian Gen Zs.

However, it is also interesting that according to the data, *TikTok* is more successful in impacting the decision for participants to make a purchase because of a promotional SVC. The data showed that 63% of the participants were motivated by *TikTok*, while approximately 30% were motivated by Instagram. Subsequently, this puts into question whether *TikTok* truly is better than *Instagram* in influencing the purchasing intention of Indonesia's Gen Z through promotional SVCs.

Derived from the findings of the inductive research stage and the arguments presented in this section, the following theories are constructed to address the research question of "How do promotional SVCs on Instagram and TikTok influence the purchasing intention of Indonesia's Gen Z":

T1: Promotional SVCs are more effective in fulfilling the PU component of OPIM, resulting in a higher purchasing intention.

T1a: TikTok is more effective in fulfilling PU than Instagram Reels

These theories, based on data that was gathered through primary and secondary sources, theorizes that the dynamic and adaptive algorithms behind SVCs on social networks, positively affects the purchasing intentions of Indonesia's Gen Z because they are shown products and services that they and others already have a propensity towards. Additionally, the theory is adjusted further to compare the effectiveness of Instagram and TikTok.

9.2 Theory 2

The Gen Z characteristic of "Independent Decision Maker" can be argued to be supported by the fact that SN was the lowest weighted component in the OPIM. The SN score was represented by the variables of the individual's social circle and their own family's utilization of SVCs. Therefore, it can be argued that Indonesia's Gen Z also reflect the Gen Z characteristics of being an independent decision maker. It can also be argued that this reflects the collectivistic tendencies that Indonesians are often characterized with, is not as prominent in the new generational cohort. However, this declaration would need additional data and information to secure its validity and reliability.

Moreover, the element of "religion" can also be included into consideration within these social parameters for Indonesia's Gen Z. Although it can be argued that religion is a personal conviction for Indonesians, it can also be argued that there are several social and communal aspects of organized religion, which includes Islam and Christianity. Therefore, within the social parameters of how SVCs influence purchasing intentions, religion should also be accounted for. As mentioned in 5.2 Gen Z in Indonesia, the Gen Z cohort believe that religion plays a large role in their overall happiness, and that they value "religion" more than their own traditional backgrounds. Whereas, from the data in the survey, it showed that Indonesian Gen Z do not believe that religion plays an influence on their purchasing decisions through promotional SVCs. All in all, as these different findings do highlight a certain trend of how social parameters have a less significant role in influencing purchasing intentions of Gen Z's purchasing intentions from promotional SVCs, which results in the following theories:

T2: Social parameters play a small role in purchasing intentions through promotional SVCs for Indonesian Gen Z.

T2a: Religion does not have significant influence in purchasing intentions of promotional SVCs

T2b: Family does not have a significant influence purchasing intentions of promotional SVCs

T2c: Friends and colleagues do not have a significant influence on purchasing intentions of promotional SVCS.

The theories and sub-theories suppose that social parameters have a low degree of influence in the purchasing intention and decision of promotional SVCs. Here, the social parameters are split into three categories: religion, family, and friends/colleagues. Theoretically, these suppositions also signals the change of Indonesia moving away from collectivistic behaviors, and the increase in the valuation of individualistic mannerisms. Especially, if these characteristics are dominant in the younger generation of Indonesia, since they will be the broader representation of Indonesia in the future.

10. Refinement and Validation

In this step of the master thesis, the deductive stage of the abductive research approach is commenced in order to validate the theories constructed in the previous section, and subsequently endeavor to refine the theories. Thus, this stage will therefore first outline the case company for this stage, and subsequently discuss the applicability and consistency of the constructed theories after being tested.

10.1 Case Study: Jepara Garden Resort

To supplement the preliminary primary data from the survey, a case study is also conducted on a local Indonesian hospitality business in the city of Jepara. As mentioned in "Abductive Research Process" this section is to be utilized within the latter stage of deductive reasoning within the master thesis to ensure a higher degree of robustness within the development of the research. The choice of company has been motivated primarily due to willingness of cooperation from their side, familiarity, and their success in utilizing SVCs on social media to influence room bookings. The following section will outline the company, relevant data and information related to the research process, and an additional customer survey to understand the target segment fully.

10.1.1 Company Description

Jepara Garden Resort is situated in Central Java in the town of Jepara, Indonesia. It is a family-owned hotel which was originally built as a homestay but expanded to become a larger hotel facility due to the initial success of the hotel. The hotel lies on the border of Jepara and therefore is not within the city center. Besides providing standard furnished hotel rooms with beds, a bathroom, and breakfast service, the hotel has specialized in offering modest villas that are equipped with small private pools, or what is also known as "dip pools". Additionally, as it says in the name of the establishment, there is also a lush tropical garden that is integrated into the entire concept of the hotel, both within the perimeters of the entire hotel along with the inside of the private villas. The following images will highlight the concept of the hotel, see Figure 3.





Figure 3: Images of Jepara Garden Resort

The hotel has been operating since the beginning of 2020, where it had a successful initial launch given its amenities of offering private villas with personal pools, given the "social-distancing" policies active during COVID-19. Since the initial launch, the hotel has experienced a growth in popularity due to the affordable pricing of the private pool villas. Their rooms without pools cost between 32-35 USD and their pool villas range between 48-75 USD depending on which days of the week.

Jepara Garden Resort has primarily utilized social media to attract new potential customers, where they first focused on Facebook and Instagram, and has now also moved on to TikTok. Initially, they posted images of the hotel and private pools, which garnered sparce attention; however, once they began posting SVCs of hotel and its amenities, they were able to reach more customers and attract them to the hotel. The initial success with SVCs prompted the company to also run ads primarily on Instagram. Through this endeavor the company has amassed over 31 thousand followers on Instagram over a year. By promoting the prospect of a

private pool and a serene environment, *Jepara Garden Resort* gained popularity and has upheld a rather strong position in the local environment, with an occupancy rate of 77.71% on average over the past seven months (Appendix A - 22.). This is significant given that the average occupancy rate in Indonesia is approximately 47.61% in 2022 (Nurhayanti-Wolff, 2023). Here, the majority of the visitors are from Central Java and are within the Millenial and Gen Z segment of the Indonesian population.

Jepara Garden Resort receives bookings directly and from Online Travel Agencies (OTA) such as booking.com, Traveloka.com, etc. Moreover, they also take in direct reservations through walk-ins and their social media channels of Instagram and WhatsApp. As OTAs charge a fee to be hosted on their platform, Jepara Garden Resort has a preference towards direct bookings. One of the ways they try to ensure such a form of booking is through encouraging it through their social media channels and SVCs. This has resulted into that on a monthly approximately 60% of the hotel guests book directly through the phone or by "walk-ins", and the remaining bookings happen through OTAs (Appendix A – 18.-21.), especially Traveloka (an Indonesian OTA platform) that comprises of approximately 24% of the monthly bookings.

Overall, the hotel has been operating effectively for a few years, and has utilized social media and SVCs to their advantage in order to capture a larger market and attract new customers to purchase a room/villa at the hotel. Moreover, their target segment is also amongst

10.1.2 Data and Information

10.1.2.1 Role of Social Media

Additionally, the owner and hotel manager both believe that social media plays a large role in attracting new customers towards the hotel. Here, they mention the concept of "instagrammable", in which, they both refer to how many guests are attracted to the idea of sharing their experiences and activities through photos and videos on social media platforms, specifically referring to *Instagram*. They noticed this phenomenon when several guests have shared their experiences at *Jepara Garden Resort* on their social media accounts, either through a post or "story" (a feature on Instagram when users can share a photo or video where it is available only for 24 hours) and mentioning the hotel along with the interaction. Here, the two individuals from the management team noticed that guests often shared images and videos of themselves next to the pools. Hence, they argue that there is a "instagrammable" aspect of the pool villas that attract customers to rent rooms, so that they can share the experience online.

11.1.2.2 Role of Religion/Culture

Based on interviews and conversations with the hotel manager and owner of *Jepara Garden Resort* there is a general understanding and preference of the type of visitors that the hotel wishes to attract and consequently attracts. The primary types of families that the hotel wishes to attract are Indonesian families and couples. The aspect of "Indonesian" actually plays a large role in the case, as the manner in which the pool villas are designed grants a high degree of privacy towards the families and couples that wish to use a dip pool without being seen by other people. This aspect is very relevant in predominantly Muslim country such as Indonesia, where they arguably hold conservative views on what should and should not be worn in public and even when swimming. The following quote from a popular comment on a post from *Jepara Garden Resort* states:

"As a Muslim woman, you are obliged to cover your private parts. ... For this reason, we [my family] haven't been able to enjoy swimming for several years because we haven't found a swimming pool accommodating towards Muslim women. Masya Allah, Jepara Garden Resort has a private pool. It's definitely comfortable to swim here without fear of being seen as non-mahram²."

These feelings towards privacy are further corroborated by an anecdote that the hotel owner experienced with a previous guest, who was a prominent Indonesian imam (a Muslim prayer leader). Here, the owner describes when the imam had come to visit the hotel with his entire entourage and had personally requested to meet with him (the owner). The imam was moved by the scenery that the hotel provided and also praised the owner for building "luxury" and affordable accommodation that was "muslim-friendly". Given that Indonesia is the most populous Muslim country in the world, this is a rather prominent compliment to receive for a hotel. (Appendix C)

Therefore, based on previous interactions an attractive component that *Jepara Garden Resort* provides is the possibility of being modest given the conservative circumstances.

10.1.2.3 Online Performance

As mentioned, *Jepara Garden Resort* has a follower base of approximately 31.8 thousand followers on *Instagram* and approximately 1.6 thousand followers on *Facebook*. Arguably, their total followers on different social media platforms can be rounded up to 35.6 thousand

³ The quote is from an Instagram comment found on an SVC on *Jepara Garden Resort*'s Instagram page. It was

translated from Indonesian to English with help of online sources and local Indonesians.

² "Mahram" is a term in Islam that refers to being "unlawful" in a marriage.

followers, where the majority of their followers reside on *Instagram*. Additionally, in a 28-day period, their *Instagram* account grows by approximately 809 new followers, while on *Facebook* they grow at approximately 1 new follower in the same period. On a monthly basis, their *Facebook* page reaches 2,904 accounts on average, while they have monthly reach of 147,283. *Meta* defines "reach" as the number of times the content from a "page" or "account" has been distributed towards social media users, this can either be organic (non-paid) or through ads (paid). On the other hand, *Jepara Garden Resort* has a total of 2243 followers on *TikTok* throughout the month of October in 2023, the account had a reach of 97.8 thousand, while gaining approximately 160 new followers on *TikTok* a month. (All of this data can be found in Appendix D)

10.1.3 Customer Survey

In addition to the insights generously shared by Jepara Garden Resort about their experiences and past results, the master thesis has taken a step to gather more directly from the guests. This survey serves to boost and support the abductive research journey. It's a physical questionnaire handed out to guests during check-out, packing in questions that correlate back to the theories uncovered during the initial exploration. It is a simple way of gaining additional information and data about purchasing intention of Indonesian Gen Z and the relation to SVCs.

The management of *Jepara Garden Resort*, however, highlighted that the survey must not be inconvenient for the guests to fill out, as they wished to respect their customers' time and participation in the research. Therefore, there were only a limited number of questions that were permitted to be inquired of the guests, and they needed to be easily understood.

The survey was conducted over a period of two weeks, in which there were collected 68 responses from their customers. Out of these responses, there were only 17 that were within the age demographic of Gen Z.

10.1.3.1 Survey Design

Given the limitations set by the management, the survey was designed to prove or disprove the constructed theories. Thus, the second survey conducted in this master thesis only consisted of ten questions. As can be seen in *Appendix X*. The first three questions were related to the background information of the participants. Next, the three following questions attempt to investigate Theory 1, and the last four questions attempt to scrutinize Theory 2.

As T1 relates to the component of PU in OPIM, there was an ambition to formulate questions that relate to this. Hence, the first questions asks the contestant the source that influenced them to stay at the *Jepara Garden Resort*. Here, an array of options were presented where Instagram

and TikTok were among the options. Subsequently, the participants were asked to evaluate the degree to which their "source" is able to make "correct" recommendations (attribute question), and then they were asked to what extent they perceived their "source" to influence their purchasing decisions (strength question). In contrast to the first survey, there is only one question committed to the "attribute" of the component, and this is by design as the survey needed to be concise.

On the other hand, the questions that related to T2 were designed to specifically answer the sub-theories where it is assumed that the sum of these results would represent T2. Three questions were dedicated to the three sub-theories on the role of religion, family, and friends in the purchasing intention of the participants. Here, the participants were asked how they believe their family, friends, and religious community perceives the "source", and then they are asked to evaluate the degree to which these opinions and perceptions influence their purchasing decisions. The reason to relating the questions to the "source" of these questions is to tie the responses back to the element of SVCs. By utilizing a similar approach to measure SN, the first three questions relate to the "attribute" of the component whereas the last question inquires the motivation to comply to their social circles, i.e., the strength of the component.

10.1.3.2 Results

Theory 1

T1: Promotional SVCs are more effective in fulfilling the PU component of OPIM, resulting in a higher purchasing intention.

T1a: TikTok is more effective in fulfilling PU than Instagram Reels

The data showed that 58% of the respondents had discovered *Jepara Garden Resort* through SVCs on social media. Here, 80% had discovered it through *Instagram* while only 20% of them had discovered it through *TikTok*. However, the PU scores for those discovering through *Instagram* and *TikTok* are also different, where the average PU scores for *TikTok* was 0.64 while it was 0.475 for *Instagram*. Thus to a certain degree *T1a* can be validated based on the data analysis of the customer survey, given that the PU score is larger for *TikTok* than it is for *Instagram*.

Moreover, as the focus is solely on how promotional SVCs influence PU, in T1. The PU scores will be calculated for these individuals and compared to those who were not influenced by SVCs. By calculating the individual PU scores of each participant, it is possible to see that

there are differences in the level of manner the participants perceive their sources. Individuals who were influenced by SVCs had an average score of 0.508, while those who were influenced by other sources had an average score of 0.406. Given that the individuals who participated in the surveys have actually concluded their purchase, does show that their purchasing intention was high enough to engage in the actual purchase. Running a regression analysis of the PU scores and their source shows that there is a relatively high correlation between the two variables, with a correlation score of 0.32. However, the P-value is over 0.05 which rejects the null hypothesis of there being a linear relationship between the two variables.

Therefore, based on the data from the deductive phase of the thesis, TI can be validated to a certain degree. Although there is no significant linear relationship between the two variables, it does show that there is a correlation between them. Moreover, the data also shows that, on average, the PU value is greater for those who purchased a stay at *Jepara Garden Resort* by discovering it through social media. In regard

Theory 2

T2: Social parameters play a small role in purchasing intentions through promotional SVCs for Indonesian Gen Z.

T2a: Religion does not have significant positive influence on purchasing intentions of promotional SVCs

T2b: Family does not have a significant positive influence on purchasing intentions of promotional SVCs

T2c: Friends and colleagues do not have a significant positive influence on purchasing intentions of promotional SVCS.

To answer T2, it is first necessary to answer its sub-theories first. By calculating the SN scores of the different variables. The SN scores for family, friends, and religious community are 0.348, 0.325, and 0.322, respectively. The differences between the scores are not dramatic, but it shows that from the three attributes of SN, the family is that which scores highest. However, when the data is controlled for the source of their purchasing intent, then there is a difference. Here, participants' who were influenced by SVCs had, on average, a lower score than those who were influenced by other sources. Family, friends, and religion had average scores of 0.32, 0.28, and 0.28, respectively, for participants who were influenced by SVCs. While family, friends, religion scored 0.389 for all the attributes for the rest of the participants.

It is important to reiterate, that the best possible score is 1.00, and the "middle" ground is approximately found between the scores of 0.32 and 0.36, where the participants are considered neutral to the impact that the attributes and overall component has on their purchasing intentions. Thus, based on the evidence from the surveys, the sub-theories can be considered validated, as their scores showed to be below the level of neutrality on. This means that the opinions of friends, family, and religious communities have do not have a significant positive influence on their purchasing intentions, because a significant influence would be scores that are >0.36. Given that the sub-theories are true, T2 can also be considered true since, by comparison, the SN scores of individuals that were influenced by SVCs is lower than that of those who were influenced by other means.

11. Discussion

The following section will discuss the different aspects of the master thesis, thus far, and endeavor to combine constituents from the different stages of the research process. Moreover, it discusses the findings from the customer survey and its relation to the constructed theories.

11.1 Characteristics of Gen Z in Indonesia

The 5.1.2 Purchasing Intentions of Gen Z highlighted the highlighted several characteristics of the Gen Z's purchasing intentions. However, given the cultural and contextual variations, is was imperative to ascertain the relevance of these traits within the Indonesian Gen Z population.

The survey data conducted specifically among Indonesian Gen Z individuals presented intriguing findings that aligned with several characteristics outlined in the literature. Notably, the surveyed population demonstrated a propensity towards independent decision-making, an inclination for seeking information, pragmatic decision-making, a proclivity for saving money, and a preference for convenience. These parallels substantiate the transferability of these characteristics from the global Gen Z discourse to the Indonesian context, indicating a cross-cultural resonance. Admittedly, a characteristic that was unexplored through the data survey was "altruistic consumerism" in the relation to its relevance towards Indonesian Gen Z. This leaves hole in the affirmation of the characteristics defining Gen Z, and warrants further future research into its relevance for Indonesia's Gen Z.

Nevertheless, it would be justified to state, given the literary background and the corroboration of data, that the majority of the general Gen Z characteristics are also prevalent amongst Indonesian Gen Z's, despite the different cultural and contextual differences.

11.2 Challenges of SVCs – political action and social awareness.

The landscape of promotional SVCs in Indonesia faces challenges that extend beyond the conventional realms of market dynamics. One notable threat arises from political actions that have already manifested in the banning of social media platforms from serving as an ecommerce platform within the country, see 5.3.1 Social Media Marketing in Indonesia. This governmental intervention signals a proactive stance in addressing the potential influence of SVCs on consumer behavior. The ban reflects the broader implications of governmental controls on digital platforms, emphasizing the need for a delicate balance between technological advancements and regulatory oversight.

Moreover, emerging studies shed light on potential negative psychological effects correlated with the consumption of SVCs. The recognition of such adverse implications raises concerns not only for individual well-being but also prompts contemplation of governmental or institutional intervention to safeguard the mental health of the Indonesian Gen Z population. The potential psychological impacts of SVCs add a layer of complexity to the regulatory landscape, urging policymakers to consider protective measures and ethical guidelines to mitigate potential harm.

Therefore, as time passes, there may be more societal challenges that may prohibit the degree of influence that SVCs can potentially have on consumers, which subsequently will also impact the Indonesian Gen Z cohort.

11.3 Influence of TikTok and Instagram

This analysis confronts the influence of *TikTok* and Instagram on purchasing intent, primarily concerning PU. The argument highlights the limited sample size for *TikTok*, where only 2 out of 10 cases are attributed to it, making the comparison less substantial. While the data suggests a higher PU for *TikTok*, drawing a firm conclusion based on such a small subset can be argued as premature and inconclusive.

The argument further introduces the aspect of success cases, where Instagram showcases a higher count than *TikTok*, potentially indicating a more significant influence on purchasing intent. However, this observation might be skewed by the platforms' differing user bases; Instagram has a larger user demographic compared to TikTok, potentially affecting the number of cases and, consequently, the influence on purchasing intent.

The final assertion connects the majority of customers' decisions to visit *Jepara Garden Resort* due to SVC and infers the truth of T1, implying that SVCs have a substantial impact. This

conclusion aligns with the assumption that SVCs significantly influence customer decisions to visit the resort.

In essence, the analysis juxtaposes the impact of TikTok and Instagram on purchasing intention, recognizing the limitations in sample size and platform reach. While it suggests a potential influence of both platforms, it emphasizes the impact of SVCs in driving customers to *Jepara Garden Resort*, reinforcing the significance of SVCs in customer decision-making processes.

11.4 Role of Religion

On the other hand, the qualitative data from Jepara Garden Resort suggests a significant role of religion, while the quantitative data showing otherwise. Despite anecdotal evidence indicating the importance of religion, the data suggests that religion might not significantly influence purchasing decisions, particularly concerning SVCs. The anecdote introduces a thought-provoking notion that the influence of religion might be more pronounced among older generations in Indonesia, hinting at potential generational differences in perspectives on this matter.

However, when also considering the inductive exploratory stage, there is still several layers of ambiguity towards the role of religion. It can be argued that the role of religion in influencing purchasing intentions is more prevalent amongst older generations, with a rising degree of individualistic behavior amongst the Gen Z cohort. However, it can also be argued that, in general, religion does not have a significant role in influencing purchasing intentions amongst Indonesian consumers. Nevertheless, the aspect of religion is present in the purchasing intentions of Indonesians; however, it will require further investigation to determine its significance towards the Gen Z cohort.

11.5 Limited Generalizability

Additionally, attention can be drawn to the nature of *Jepara Garden Resort* as a hospitality company, implying that the structures and dynamics within the service sector may not universally apply to other industries dealing with goods and products. This distinction underscores the specificity of the service sector and the potential limitations in generalizing findings across diverse sectors. Moreover, it expands this concept to the broader industry context, suggesting that the findings, encompassing products, services, and experiences, might be specifically applicable within the realm of the hospitality industry.

The analysis delves into the impact of social media platforms, particularly TikTok and Instagram, on purchasing intent, noting the constraints posed by a limited sample size and the potential skew in drawing robust conclusions. While TikTok shows hints of higher PU the

comparison with Instagram suggests a potential user base influence on the perceived impact. The study juxtaposes anecdotal evidence emphasizing the role of religion in purchasing decisions with factual data, revealing a potential incongruity, possibly influenced by generational factors in Indonesia. Moreover, it underscores the specificity of Jepara Garden Resort within the hospitality sector, cautioning against generalizing findings across diverse industries and products. The insights gleaned spotlight the nuanced interplay between social media, religion, and industry-specific dynamics, emphasizing the need for a context-driven understanding in interpreting purchasing intent influences.

12. Presentation of Findings

The findings will not only include that which has been refined and validated in the previous section. This will also include relevant findings that were discovered in the initial inductive exploratory stage. Hence this section first highlights the relevant exploratory findings, and then the theory that has been refine and validated in the previous section.

Key observations from the primary inductive stage, indicate a strong alignment between prevalent perceptions of Generation Z globally and those manifested within Indonesia's Gen Z cohort. Here, it is important to note that these behaviors and characteristics were investigated specifically in relation to SVCs, and may not necessarily be applicable towards other mediums of engaging consumers. Notably, characteristics such as independent decision-making, a penchant for seeking information, a pragmatic approach to decision-making, a focus on saving, and an affinity for convenience were strongly affirmed. The sole exception was the aspect of 'altruistic consumerism,' which was not prominently researched within this master thesis.

Regarding the assessment of factors influencing purchasing intentions, the analysis reflects an intermediate predictive capability of the Online Purchasing Intention Model (OPIM). The findings show that there was a sufficient correlation and the presence of a linear relationship between final scores of the OPIM and the proclivity of purchasing or not purchasing because of promotional SVCs. Which first shows that there is a difference between the types of Indonesian Gen Zs. Second, it shows that the OPIM is able to predict purchasing intentions to a certain extent. However, this may also be evidence that the generation is not entirely uniform. Some parts of the Indonesian Gen Z population may just have a lower purchasing intention

compared to others and may not necessarily be caused by the manner in which they interact with SVCs.

Perceived Usefulness (PU) emerged as the most pivotal factor, and it is argued that the algorithms that govern SVCs have a key role in influencing this component, which was how T1 was theorized. In congruence with this theory, T1a was also constructed alleging that *TikTok* was superior in fulfilling PU compared to *Instagram Reels*. From the deductive research, T1 was corroborated to certain degree, and T1a was proven to a minimal degree. Here, the findings from the deductive research were limited given the small scope of the research sample, it did provide great insights into the role that SVCs influence play on purchasing intention.

Furthermore, T2's validation indicates that social parameters exhibit a limited impact on purchasing intentions, although a more comprehensive analysis across different product sectors could yield a more nuanced understanding. This data suggests a departure from traditionally collectivistic traits among Indonesian Gen Z, given their preference for independent decision-making.

In conclusion, the findings reasonably affirm the substantial influence of promotional SVCs on purchasing intentions. This assertion is supported by the considerable number of Gen Z individuals who believe that SVCs significantly influence their daily attitudes and behaviours, alongside the cohort that has actively made purchases due to such promotional content.

13. Limitations

Naturally, such as in all forms of research, there are limitations that relate to the research process and the findings of the master thesis. Throughout the master thesis, there already have been sections that reflect on the limitations of the different stages of the thesis. However, this section will highlight the limitations that correlate to the entirety of the master thesis.

13.1 Limitations of the Research Scope

Arguably, the research scope of the master thesis was considerably wide. Hence, it is admitted that this has inherently caused limitations to the findings and results of the master thesis.

13.1.1 Sector and Industries

A notable limitation in this master thesis pertains to the broad scope adopted, encompassing various economic sectors, including services, products, and experiences, when examining the influence of SVCs on Gen Z's purchasing intentions in Indonesia. While this inclusive approach was designed to provide a holistic understanding of Gen Z's consumer behavior, it introduces the potential for diluted findings and limited precision in delineating the unique impact of SVCs within specific economic domains, such as "service", "product", or "experience" sectors.

The decision to cast a wide net across diverse sectors and industries was driven by the aspiration to capture the multifaceted nature of Gen Z's preferences. However, this breadth comes at the cost of potentially overlooking the distinct nuances that characterize SVC influence in each economic sector and industry. Recognizing this limitation, it is acknowledged that a more focused investigation into a specific sector, be it services, products, or experiences, might have yielded more targeted and nuanced insights.

The investigation into a specific industry, such as tourism or hospitality, given the case company, could also have resulted in more insightful findings. For example, given the phenomenon that the case company highlighted of something being "*Instagrammable*" could potentially highlight a novel insight into Indonesian Gen Z and their consumer behaviors.

13.1.2 Social Media Platforms

Another limitation within this master thesis is the concentrated emphasis on two specific platforms, *TikTok* and *Instagram Reels*, within the SVC sector in Indonesia. While the deliberate selection of these platforms aligns with their popularity among the target demographic, the exclusive focus on TikTok and Instagram Reels introduces constraints on the depth and breadth of insights generated.

13.2 Bias

13.2.1 Confirmation Bias

One notable limitation inherent in the methodology of this study revolves around the potential influence of confirmation bias. The research design adopted a abductive research approach, beginning with an inductive phase where theories were generated organically from observed patterns and behaviors within the Gen Z demographic. Subsequently, these theories were subjected to deductive testing to assess their validity within the Indonesian context. However, the risk of confirmation bias arises from the researcher's preconceived notions or expectations

based on the inductive phase, potentially impacting the interpretation of results during the deductive testing.

The abductive research approach, while valuable for its holistic exploration of Gen Z behaviors, carries the inherent risk of unintentional bias. Having played a role in formulating theories during the inductive phase, I may inadvertently seek or interpret evidence in a way that aligns with these pre-established theories during deductive testing. This bias could introduce a degree of subjectivity into the analysis and may affect the objectivity of the conclusions drawn.

To mitigate this limitation, rigorous attention was given to maintaining methodological transparency, employing diverse data sources, and retesting the data throughout the research process.

13.2.2 Personal Bias

Another noteworthy limitation in this study stems from the researcher's personal ties with the case company, *Jepara Garden Resort*, utilized during the deductive stage of the research. As the researcher has a pre-existing relationship with the case company, there exists the potential for personal bias to influence data interpretation and analysis. Despite my own awareness of this potential bias and the implementation of precautions to minimize its impact, inherent subjectivity may persist.

Personal bias limitation is acknowledged through the researcher's self-awareness and the conscientious efforts taken to maintain objectivity. However, despite these measures, the researcher's affiliations and familiarity with the case company may introduce unintended biases that are not overtly evident in the master thesis. The nuanced nature of personal bias, coupled with the complexity of human interactions, can result in subtle influences that may not be readily apparent in the research outcomes presented. To address this limitation, transparency in reporting methodologies, data collection processes, and analytical approaches had been prioritized.

It is crucial for readers to be cognizant of the potential impact of confirmation bias and personal bias on the study's findings and to interpret the results with a discerning eye. Future research endeavors may consider employing independent evaluators or diversifying case company selections to further mitigate the potential influence of personal bias on research outcomes, to address personal bias. Whereas, for confirmation bias, alternative methodologies and the incorporation of additional validation techniques may enhance the robustness of the study's outcomes.

13.3 Dynamic Nature of Study Area

The study acknowledges the inherent limitation stemming from the dynamic nature of the Instagram and TikTok algorithms. These platforms undergo continuous updates and modifications, rendering any insights gleaned from the current study subject to potential obsolescence. The algorithms, integral to the functioning of these social media platforms, are not static entities and are susceptible to evolutionary changes over time. Consequently, conclusions drawn from the study may not hold true in the future due to algorithmic adjustments that influence content visibility, user engagement, and overall platform dynamics. Moreover, the dynamism extends to the demographic under investigation—Indonesia's Gen Z. As a cohort entrenched in the digital realm, their behaviors are intricately linked to the platforms they engage with. The evolving landscape of social media, coupled with the dynamic nature of Gen Z's preferences and behaviors, introduces an element of temporality to the study's findings. While the insights provide valuable current perspectives, the future behaviors of Gen Z may deviate from the patterns observed, influenced by evolving societal trends, technological advancements, and shifts in digital culture.

Despite these limitations, the study offers valuable insights into the current state of Gen Z's behaviors and the impact of SVCs on purchasing intentions within the existing algorithmic and demographic landscape. Acknowledging the dynamic nature of the study area prompts a cautious interpretation of findings, emphasizing the need for continual monitoring and adaptation to capture the ever-evolving dynamics of Instagram, TikTok, and the behaviors of Indonesia's Gen Z.

13.4 Limitations of the Research Design

A notable limitation in the research design of this master thesis revolves around the potential imbalance in the weight assigned to the inductive and deductive processes within the abductive research framework. The initial exploratory inductive research phase was conducted comprehensively, providing a holistic foundation for theory generation. In contrast, the subsequent deductive process, which involved a single case company and a limited dataset, exhibited a disproportionally smaller scale.

The inductive stage, characterized by its holistic exploration of Gen Z's behaviors and preferences, laid the groundwork for the deductive phase. However, the deductive process, centered around one case company and featuring a restricted dataset, may not carry the same weight in contributing to the overall findings. The survey conducted in the deductive stage,

with its limited number of respondents, raises concerns about its significance compared to the richness of data garnered during the expansive inductive stage.

14. Conclusion

In conclusion, the exploration of Indonesia's Gen Z and their purchasing intentions regarding SVCs unfolds as a significant endeavor driven by the country's substantial influence and size on the global market. The research provides a valuable glimpse into the purchasing intentions of this prominent generational cohort, offering insights that resonate on both a local and global scale. The explorative approach at the outset of the study contributes to a wide and holistic perspective on the generation, providing a foundational understanding of the dynamics shaping their consumer behavior. While the deductive stage of the research further endeavored to solidify the robustness of the findings from the explorative approach.

The general characteristics attributed to Gen Z are found to be remarkably applicable to Indonesia's Gen Z, allowing for some level of generalization towards this population. The data also underscores a compelling trend wherein the vast majority of Indonesian Gen Z is significantly influenced by SVCs in their purchasing intentions. Notably, their preferences align with what they perceive as useful and pragmatic in their lives (PU). Here, the thesis posits that the role of social media algorithms, particularly those governing SVCs, plays a pivotal role in strategically targeting individuals in the presentation of content, which ultimately results to a higher purchasing intentions amongst Indonesian Gen Z.

Furthermore, the research indicates that social parameters, such as family, friends, and religious communities, have a comparatively diminished influence on the purchasing intentions of Indonesian Gen Z related to SVCs. This shift suggests a distinctive pattern in the factors shaping their decision-making process within the SVC landscape. As the findings emphasize the dominance of utility of pragmatism, future marketers and businesses can refine their strategies to focus on algorithmic precision to resonate with the priorities of this dynamic demographic. Overall, this master thesis contributes not only to understanding the purchasing intentions of Indonesia's Gen Z, but also offers broader implications for businesses navigating the evolving landscape of digital engagement and influence.

13. Recommendations

13.1 For Managers

Based on the insights derived from this thesis, future managers are encouraged to strategically harness SVCs for optimal engagement with Gen Z. To maximize effectiveness, managers should ensure that SVCs not only showcase the product, service, or experience but also convey its value, usefulness, and ease of use (PU). Leveraging eWOM through product and service reviews can serve as a potent tool to emphasize these aspects. Managers are advised to actively promote content co-creation with influencers and online personalities, aligning with Gen Z's affinity for relatable figures. By incorporating sentiments that resonate with the characteristics of Gen Z, such as independence, pragmatism, and love for convenience, managers can enhance relatability, fostering a deeper connection with this demographic. This strategic approach not only optimizes SVCs for impactful storytelling but also cultivates an authentic and relatable brand narrative, crucial for engaging and influencing Gen Z effectively.

Additionally managers aiming to elevate their marketing strategies, particularly when targeting Indonesian Gen Z, are advised to develop a thorough understanding of social media algorithms, notably those of platforms like Instagram and TikTok. The insights from this thesis emphasize the important role these algorithms play in influencing Gen Z's online experiences and purchasing intentions. Mastery of these algorithms enables managers to optimize content dissemination strategies, ensuring heightened visibility and engagement within the Gen Z demographic. Proactive adaptation to algorithmic updates not only maintains competitiveness but also allows for the delivery of personalized content aligned with Gen Z's values, fostering brand loyalty and trust. In essence, acquiring proficiency in social media algorithms positions managers to navigate the dynamic digital landscape, tailoring marketing campaigns that resonate with Gen Z's evolving preferences and behaviors for impactful and targeted engagement.

Drawing insights from the OPIM demonstrated in this thesis, managers can enhance their SVC strategies for effective engagement with Indonesian Gen Z. Utilizing OPIM as an evaluative framework, managers are encouraged to implement A/B testing for SVCs, allowing for a systematic comparison of different content approaches. This method enables the measurement of participants' OPIM, providing valuable insights into the efficacy of specific content types and formats.

Furthermore, for targeted marketing towards Indonesian Gen Z, managers may consider focusing on content themes related to entertainment, food, and traveling. These parameters emerged as the most popular among the studied demographic, presenting lucrative avenues for connection and resonance. Tailoring SVCs to these prevalent interests aligns with Gen Z's preferences and is poised to increase engagement levels. By combining the precision of OPIM evaluation with strategic content alignment, managers can create compelling and resonant campaigns, ensuring maximal impact within the dynamic landscape of Indonesian Gen Z preferences.

13.2 For Future Research

From this master thesis, there is potential for future research that can strategically explore other dimensions to deepen the understanding of SVCs on consumer behavior of Indonesia's Gen Z. Inspired by the limitations segment of the master thesis, conducting research to determine the potential differences between platforms by performing a more exhaustive exploration into specific social media platforms or potentially a comparative study between the different platforms. This endeavor could potentially unravel nuanced insights into how Gen Z interacts with content on platforms like *Instagram* and *TikTok*, shedding light on unique engagement patterns, preferences, and the overall influence of each individual platform.

Furthermore, an additional exploration of the differences between different sectors of the Indonesian economy, can deepen the insights of how promotional SVCs influence purchasing intentions of Indonesia's Gen Z. Exploring the divergences in consumer behavior concerning products, services, and experiences could uncover valuable insights that contribute to a more nuanced and targeted approach in marketing practices.

Additionally, future research can be inspired by this master thesis and leverage the OPIM to delve into a more specific comparative analysis between purchasing intentions related to SVCs and those not associated with SVCs.

Finally, future research could dive into the potential differences between purchasing intention through SVCs and that which outside the channel of SVCs. Researchers could explore whether the factors emphasized in the OPIM vary in significance when SVCs are involved. Additionally, understanding the distinctive elements that shape purchasing intentions in these two contexts could inform marketers on how to tailor their strategies for greatest impact.

Overall, there are several manner to which future research could enhance the findings of the master thesis, and ultimately lead to a greater understanding of the influence of SVCs on Indonesian's Gen Z purchasing intentions.

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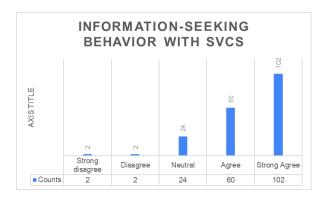
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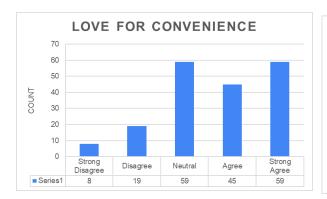
17. Appendix

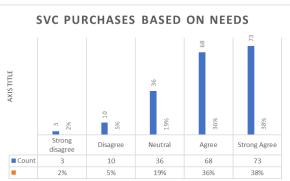
17.1 Appendix A (Data Analysis)



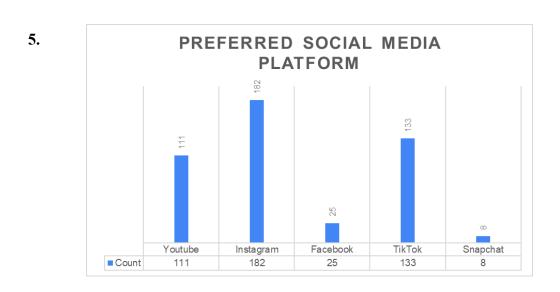


1. 2.

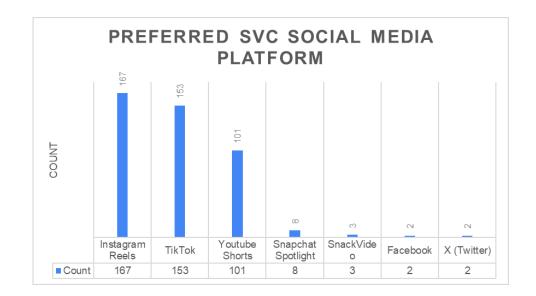


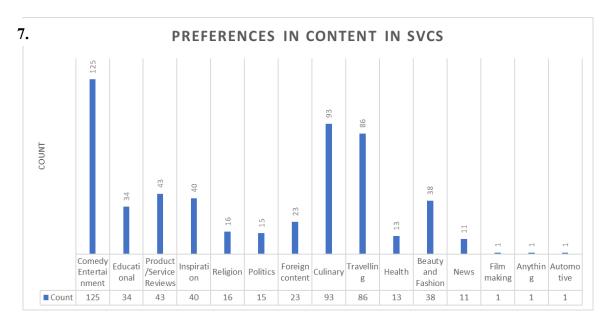


3. 4.



6.





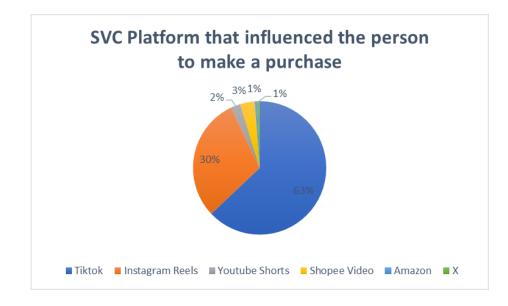
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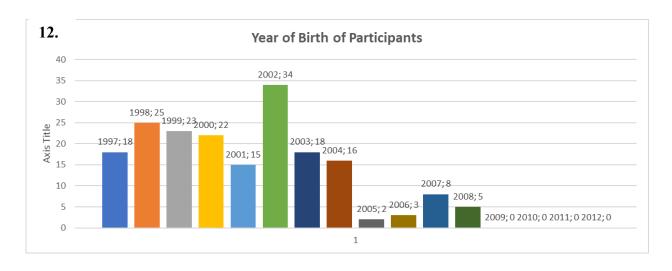


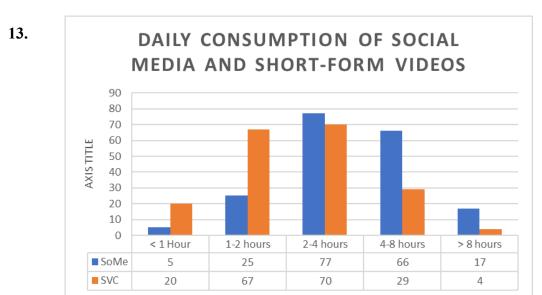
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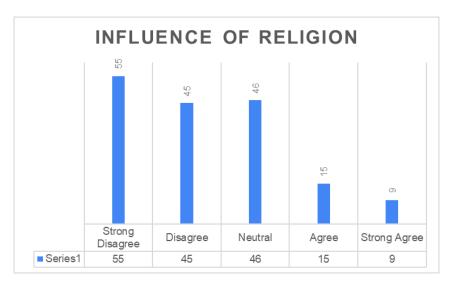




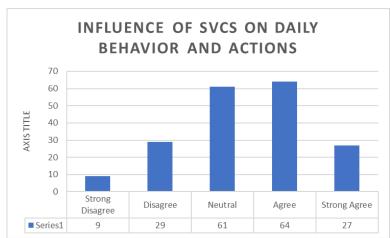
Behavioral intention results
of P+ and P
P- P+ Total

1
0,9
0,8
0,7
0,6
0,5
0,4
0,3
0,2
0,1

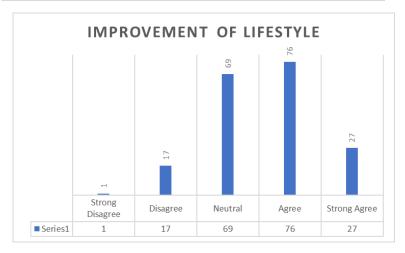
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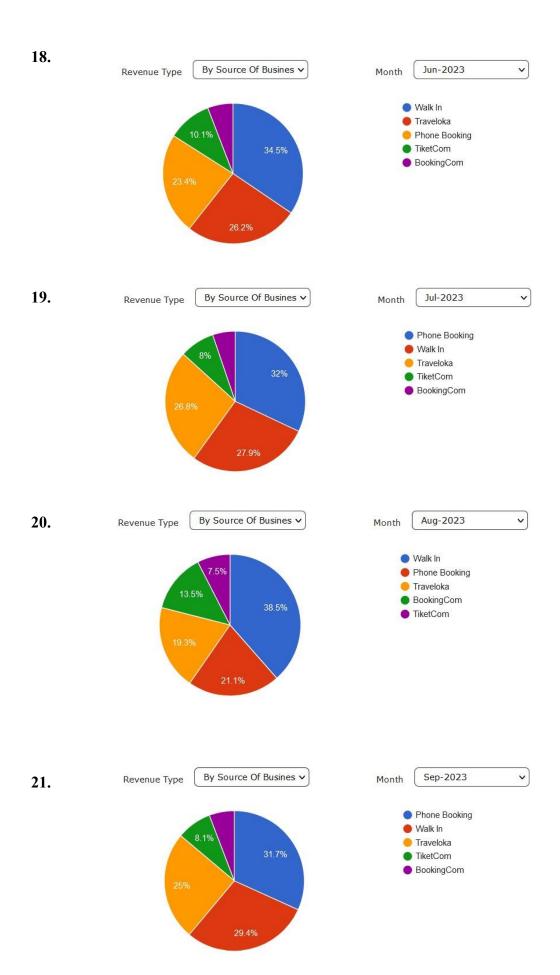


16.



17.





Oct 2023 Mar 2023 Jul 2023 Statistics Apr 2023 May 2023 Jun 2023 Aug 2023 Sep 2023 21. 275.00 357.00 344.00 Daily Rooms To Let 264.00 349.00 359.00 362.00 372.00 Daily Rooms Let 182.00 195.00 300.00 296.00 308.00 279.00 249.00 31.00 68.94% 70.91% 85.96% 82.45% 86.27% 77.07% Occupancy Rate 72.38% 8.33% Adult 356.00 596.00 585.00 611.00 545.00 493.00 62.00 Children 12.00 7.00 5.00 2.00 4.00 11.00 0.00 0.00 757,494.94 Average Sales Room 619.725.99 706,070,72 729,573.22 719.635.84 729,354.70 740,453,72 594,437,11 112,790,129.40 147,711,512.80 211,821,215.00 215,953,674.00 221,647,840.00 203,489,962.50 184,372,977.50 18,427,550.50

17.2 Appendix B (Surveys)

17.2.1 English Survey Questions

- 1. Date of Birth
- 2. Gender
- 4. Monthy allowance or salary.
- 5. Occupation
- 6. Do you use social media every day?
- 7. Do you watch short-form videos on social media?
- 8. Have you bought something online?
- 9. Which appliances do you use to access social media?
- 10. Which social media do you use most often? (pick your top 3)
- 11. How much time do you spend on social media a day?
- 12. How much time do you spend watch short-form video content on social media a day?
- 13. Have you made and uploaded short-form video content?
- 14. When you watch short-form video content, which social media platform do you use? (pick max 3.)
- 15. When you watch short-form video content, what type of content do you prefer?
- 16. How often do you interact with the content that you watch?
- 17. I believe that social media, in general, is beneficial for me.
- 18. I believe that short-form video content, in general, is beneficial for me.
- 19. I often feel like products and services that are shown in short-form video content can benefit my life.
- 20. I only purchase products, services, and experiences based on my needs.
- 21. Products or services that are promoted in short-form video content often reflects the lifestyle that I wish to have.
- 22. My social circle view products and services that are shown in short-form video content as something positive.
- 23. My family often pushes me to try products and services that they have found through short-form video content.

- 24. Influencers and "content-creators, and people that I follow on social media have a big significance on my purchasing decisions.
- 26. I choose products, services, or experiences based on their cheap price.
- 27. External factors, like deliver and payment methods, have never hindered my ability to make a purchase from a short-form video.
- 28. I have bought a product because it was recommended to me by somebody through a short-from video.
- 29. I agree that short-form videos on social media influences my behaviors and actions.
- 30. If a short-form video recommends an interesting product, I will further investigate even further about the product before I make the purchase.
- 31. I like to purchase products, services, and experiences through online platforms, than from offline stores.
- 32. I think that purchasing products, services, or experiences through online platforms is easier that going to a store.
- 33. Have you purchased a product, service, or experience because of being influenced by a short-form video on social media?
- 34. I think that likes, views, and follows on a social media account makes the account more trustworthy.
- 35.I believe that products, services, or experiences that are shown in short-form videos, in general, are better than what I would be able to find myself.
- 36. I am sure that what is shown in short-form videos is also what I will receive if I make the purchase.
- 37. I like products or services better if an influencer or celebrity promotes it.
- 38. I only consider products, services, or experiences that have been reviewed by somebody else through a short-form video.
- 39. Short-form videos that "review" products, services, or experiences plays a significant role in my purchasing decision.
- 40. I am more likely to purchase a product, service, or experience if the content is educational.
- 41. I am more likely to purchase a product, service, or experience if the content is entertaining.
- 42. I am more likely to purchase a product, service, or experience if the content is related to my religion.
- 43. I am more likely to purchasing a product, service, or experience if the content has an influencer or artist.

- 44. I am more likely to purchasing a product, service, or experience if it is currently trending on social media.
- 45. Which social media made you make the purchase?
- 35a I believe that products, services, or experiences that are shown in short-form videos, in general, are better than what I would be able to find myself.
- 36a. I think that likes, views, and follows on a social media account makes the account more trustworthy.
- 37a. I am more likely to purchasing a product, service, or experience if the content has an influencer or artist.
- 38a. Short-form videos that "review" products, services, or experiences plays a significant role in my purchasing decision.

17.2.2 Indonesian Survey Questions

- 1. Tanggal lahir
- 2. Jenis kelamin
- 3. Gaji atau tunjangan bulanan
- 4. Kota tempat tinggal
- 5. Pekerjaan
- 6. Apakah Anda mengunakan media sosial setiap hari? (Instagram, Tiktok, Youtube, Snapchat, Facebook, X, dll.)
- 7. Apakah Anda menonton video-video singkat di platform media sosial? (Tiktok, Instagram Reels, Youtube Shorts, dll)
- 8. Pernahkah Anda membeli sesuatu secara online? (Shopee, Tokopedia, TikTok, dll)
- 9. Sarana apa yang Anda gunakan untuk mengakses media sosial?
- 10. Media sosial apa yang paling sering Anda gunakan? (Pilih 3 teratas)
- 11. Berapa lama Anda menghabiskan waktu di media sosial setiap hari?
- 12. Berapa lama Anda menghabiskan waktu menonton video singkat (Tiktok, Instagram Reels, dll.) di media sosial setiap hari?
- 13. Apakah Anda membuat dan mengunggah video singkat di akun media sosial Anda (Tiktok, Instagram Reels, SnackVideo, dll) ?
- 14. Apabila Anda menonton video singkat, platform media sosial apa yang Anda gunakan? (Pilih maks 3.)
- 15. Apabila Anda menonton video singkat, Anda suka konten seperti apa? (Pilih maks. 3)

- 16. Seberapa sering Anda memberikan interaksi (Komentar, Like, Follow/ Subscribe) terhadap konten yang Anda lihat?
- 17. Saya percaya bahwa media sosial, pada umumnya, hal yang positif bagi saya
- 18. Saya percaya bahwa video singkat, pada umumnya, hal yang positif bagi saya
- 19. Saya sering merasa bahwa produk dan layanan yang ditampilkan dalam video singkat bisa meningkatkan gaya hidup saya.
- 20. Saya hanya membeli produk, layanan, atau pengalaman sesuai keperluan.
- 21. Produk atau jasa yang dipromosikan dalam video singkat sering mencerminkan selera dan gaya hidup saya inginkan.
- 22. Lingkaran sosial saya memandang produk atau layanan yang ditampilkan dalam video singkat sebagai hal yang **positif.**
- 23. Keluarga saya sering mendorong saya untuk mencoba produk atau layanan yang mereka temukan di video berdurasi pendek.
- 24. Influencer dan "content creator" yang saya ikuti di media sosial memiliki pengaruh yang signifikan terhadap keputusan pembelian saya.
- 25. Saya memilih produk, layanan, atau pengalaman berdasarkan harganya yang murah.
- 26. Saya merasa yakin dengan kemampuan saya untuk membuat keputusan pembelian yang tepat ketika produk atau layanan dipromosikan dalam video singkat.
- 27. Faktor eksternal, seperti cara pengiriman dan metode pembayaran, tidak pernah menghalangi kemampuan saya untuk membeli dari video singkat.
- 28. Saya pernah membeli suatu produk karena disarankan oleh seseorang melalui video singkat di media sosial.
- 29. Saya setuju bahwa video singkat di media sosial mempengaruhi sifat dan perilaku saya.
- 30. Apabila ada video singkat yang menyarankan sesuatu produk yang menarik, saya akan mencari tahu terlebih dahulu lebih jauh tentang produk tersebut sebelum membelinya.
- 31. Saya lebih suka membeli produk-produk, layanan atau pengalaman lewat platform online, dari pada membeli di offline store.
- 32. Saya merasa kalau membeli produk, layanan, atau pengalaman lewat platform online lebih gampang daripada pergi ke toko.
- 33. Pernahkah Anda membeli produk, layanan, atau pengalaman karena dipengaruhi oleh video singkat dalam media sosial?
- 34. Menurut saya, like, view, dan follow pada sebuah akun media sosial membuat akun tersebut dapat dipercaya.

- 35. Saya percaya bahwa produk, layanan, atau pengalaman yang ditampilkan dalam video singkat, pada umumnya, lebih baik daripada yang dapat saya temukan sendiri.
- 36. Saya yakin bahwa apa yang ditampilkan secara online adalah apa yang akan saya terima ketika saya melakukan pembelian.
- 37. Saya lebih suka membeli produk atau layan jika seorang influencer atau selebriti mendukungnya.
- 38. Saya hanya mempertimbangkan produk, layanan, atau pengalaman yang telah di-review oleh orang lain melalui video singkat.
- 39. Video singkat yang "review" produk, layanan, atau pengalaman memainkan peran besar dalam keputusan saya untuk membeli.
- 40. Saya akan lebih cenderung untuk membeli produk, layanan, atau pengalaman jika isi kontennya bersifat **mendidik.** (Mendapatkan info melalui isi konten)
- 41. Saya akan lebih cenderung untuk membeli produk, layanan, atau pengalaman jika isi kontennya bersifat **menghibur.**
- 42. Saya akan lebih cenderung untuk membeli produk, layanan, atau pengalaman jika isi kontennya **terkait dengan agama**.
- 43. Saya akan lebih cenderung untuk membeli produk, layanan, atau pengalaman jika isi kontennya terdapat **influencer atau artis.**
- 44. Saya akan lebih cenderung membeli sesuatu produk, layanan, atau pengalaman kalau hal itu lagi **"trending"** di media sosial.
- 45. Sosial media apa yang membuat anda membeli barang baru-baru ini?
- 35a. Saya percaya bahwa produk, layanan, atau pengalaman yang ditampilkan dalam video singkat, pada umumnya, lebih baik daripada yang dapat saya temukan sendiri.
- 36a. Menurut saya, like, view, dan follow pada sebuah akun media sosial membuat akun tersebut dapat dipercaya.
- 37a. Saya akan lebih cenderung untuk membeli produk, layanan, atau pengalaman jika isi kontennya terdapat **influencer atau artis.**
- 38a. "Review" produk, layanan, atau pengalaman memainkan peran besar dalam keputusan saya untuk membeli.

17.2.3 Customer Survey

- 1. Warga negara (Country of origin)
- 2. Kota tempat tinggal (City of residence)

- 3. Tahun lahir (Year of birth)
- 4. Bagaimana Anda dapat tahu tentang *Jepara Garden Resort?* (How did you learn about *Jepara Garden Resort?*)
 - a. Saran dari teman/keluarga
 - b. Instagram
 - c. TikTok
 - d. Dari booking website (Traveloka, Booking.com, Tiket.com)
 - e. Google.
 - f. Cara lain:
 - g. I do not wish to answer

Bagian selanjutnya di berdasarkan oleh jawaban Anda didalam pertanyaan ke 4. (This following part is based on your answer in Question 4.)

- 5. Sumber ini mengetahui keperluan dan keinginan saya, dan mengasihi saran yang benar. (This source knows my needs and wants, and gives the correct recommendations.)
- 6. Sumber ini sangat mempengaruhi keputusan saya untuk membeli. (This source know largely influences my purchasing decisions)
- 7. Keluarga saya memandangkan sumber ini sebagai hal positif. (My family views this source as something positive)
- 8. Lingkaran sosial saya memandangkan sumber ini sebagai hal positif (My social circle views this sources as something positive)
- 9. Komunitas agama saya memandangkan sumber ini sebagai hal yang positif. (My religious community views this source as something positive.)
- 10. Keluarga, linkaran sosial, dan komunitas agama saya sangat mempengaruhi keputusan saya untuk membeli. (My family, social circles, and religious community largely influences my purchasing decisions.)

17.2.3.1 Actual Customer Survey

1. Warga negara:	
2. Kota tempat tinggal:	- Alb
3. Tahun lahir:	Jepara Garden Resort
4. Bagaimana Anda dapat tahu tentang Jepara Garden Resort?	The Perfect Gelaway
Saran dari teman/keluarga	
 Instagram 	
o TikTok	
 Dari booking website (Traveloka, Booking.com, Tiket.com) 	
o Google.	
o Cara lain:	
o I do not wish to answer	
Bagian selanjutnya di berdasarkan oleh jawaban Anda didalam pertanyaan ke 4.	
5. Sumber ini mengetahui keperluan dan keinginan saya, dan mengasihi saran yang l	benar.
🗆 Sangat tidak setuju - 🗅 Tidak setuju - 🗅 Netral - 🗅 Setuju - 🗅 Sangat setuju	
Sumber ini sangat mempengaruhi keputusan saya untuk membeli.	
□Sangat tidak setuju - □Tidak setuju - □ Netral - □ Setuju - □ Sangat setuju	
7. Keluarga saya memandangkan sumber ini sebagai hal positif.	
□Sangat tidak setuju - □Tidak setuju - □ Netral - □ Setuju - □ Sangat setuju	
8. Lingkaran sosial saya memandangkan sumber ini sebagai hal positif	
□Sangat tidak setuju - □Tidak setuju - □ Netral - □ Setuju - □ Sangat setuju	
9. Komunitas agama saya memandangkan sumber ini sebagai hal yang positif.	
□Sangat tidak setuju - □Tidak setuju - □ Netral - □ Setuju - □ Sangat setuju	
10. Keluarga, linkaran sosial, dan komunitas agama saya sangat mempengaruhi keput	tusan sava untuk mambali
7.2.3.2 Example of Response	
4.	
1. Warga negara: 20	4
2. Kota tempat tinggal: 1807a	Jepara Garden Kesort
3. Tahun lahir: 4974 4. Bagaimana Anda dapat tahu tentang Jepara Garden Resort?	The Jestley papers
m 1 : (Iralizarda	
Saran dari teman/ketuatga lol Instagram	
C Tik Tok	
o Dari booking website (Traveloka, Booking.com, Tiket.com)	
o Google.	
o Cara lain:	
 I do not wish to answer 	
Bagian selanjutnya di berdasarkan oleh jawaban Anda didalam pertanyaan ke 4.	
5. Sumber ini mengetahui keperluan dan keinginan saya, dan mengasihi saran yang b	enar.
Description of the setuin - DTidak setuin - D Netral - D Setuin - D Sangat setuin	
Cumber ini sangat mempengaruhi keputusan saya untuk memben.	
OSangat tidak setuju - OTidak setuju - Netral - O Setuju - O Sangat setuju	
7 Kelparga saya memandangkan sumber ini sebagai nai positii.	
DSangat tidak setuju - 🗆 Tidak setuju - 🖸 Netral - 🗓 Setuju - 🗀 Sangat setuju	
9 Lingkaran sosial saya memandangkan sumber ini sebagai nai positi	
Sengat tidak setuju - DTidak setuju - M Netral - D Setuju - D Sangat setuju	
9. Komunitas agama saya memandangkan sumber ini sebagai hal yang positif.	
- Setuju - Sangat setuju	
10. Keluarga, linkaran sosial, dan komunitas agama saya sangat mempengaruhi keput	usan saya untuk membeli.
10. Keluarga, linkaran sosial, dan komunitas agama saya sangat betapagat □Sangat tidak setuju - □Tidak setuju - ☑ Netral - □ Setuju - □ Sangat setuju	
□Sangat tidak setuju - □ IIdak setuju - □ Nettar - □ Setuju - □ Odag	
	* .

17.3 Appendix C (Interview Notes)

Interview with Kent (Owner): 33 minutes

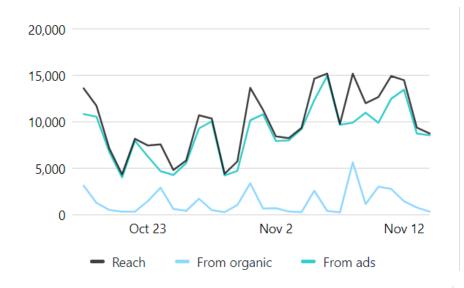
- Hotel was initially supposed to be a retirement home
- Has a carpenter education as background
- Success from other business ventures led to capital to invest in land and construction
- Opened the hotel in 2020 at the cusp of Covid
 - o Initially feared the outcome
 - Was pleasantly surprised
 - Has been operating and expanding ever since
- Current project is to build an event-hall, where guests can rent it out for social arrangements.
- Initially started posting on Instagram in 2021, and on TikTok in early 2022.
- Is very excited about the strength of SVCs and gaining customers.
- Believes there instagram is better for services, and Tiktok is better for products.
- Anecdote from imam: Came to the hotel and wished to come back with his wives because he believed the hotel provided high levels of privacy and was muslim-friendly
- Believes there is potential in capitalizing on the collectivistic behavior of Indonesians
- The hotel turns a profit every month for the past 3.5 years.

Interview with Nicholas (Hotel Manager): 25 minutes

- Employed after the initial launch.
- Worked there for 2 years now
- Has a gardener education as his background.
- Hotel manager and construction supervisor
- First started as garden manager, and was promoted to hotel manager later.
- When he entered the hotel, it was necessary with a restructuring of the internal processes of the hotel
- Recalls a time where an imam complimented the hotel and insisted on meeting the management team of the hotel.
- Believes there is potential in capitalizing on the collectivistic behavior of Indonesians
- Has aimed to ensure the hotel can be self-sufficient.
- Has not personally worked with SVCs at the hotel. However, believes that the number of walk-ins and direct bookings reflects the effectiveness of SVCs.

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17.4 Appendix D (Jepara Garden Resort Social Media Data)



Reach breakdown

Total

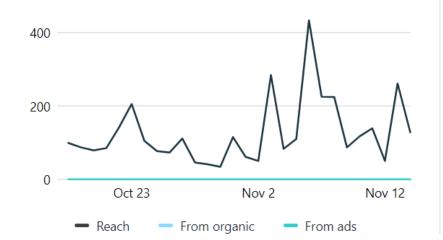
154,286 ↓ 8%

From organic

19,848 ↓ 17.2%

From ads

140,214 ↓ 9.4%



Reach breakdown

Total

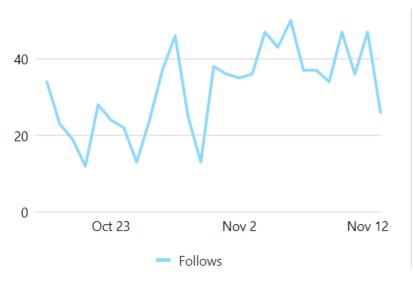
2,950 ↑ 29.4%

From organic

2,950 ↑ 32.3%

From ads

0 0%



Audience breakdown

Oct 18 - Nov 14

Follows (i)

869 ↑ 4.3%

Unfollows (i)

210 ↓ 7.1%

