

HOW LIVE STREAMING INFLUENCES CONSUMER BUYING CHOICES IN MALAYSIA'S SOCIAL COMMERCE LANDSCAPE

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ABSTRACT

With the rise of social media platforms and e-commerce, social commerce has become a key driver of consumer behavior in Malaysia. Among the various tools leveraged in social commerce, live streaming has emerged as a powerful method for brands to engage with consumers and influence purchasing decisions. This study explores the role of live streaming in shaping consumer purchase decisions in social commerce in Malaysia. Using a mixed-methods approach, the research includes a survey of 500 consumers, alongside in-depth interviews with 15 social commerce influencers and marketers. The findings reveal that live streaming increases consumer engagement, trust, and perceived product value, which positively influence purchase intent. Additionally, interactivity, entertainment value, and trust in the influencer were found to be significant drivers of consumer decisions. The paper concludes by offering recommendations for businesses looking to utilize live streaming effectively in social commerce and discusses the implications for future trends in consumer behavior in Malaysia.

KEYWORDS

Live Streaming, Consumer Behavior, Social Commerce, E-commerce, Purchase Decisions, Malaysia.

INTRODUCTION

The advent of the internet and the growth of social media platforms have fundamentally changed the way businesses interact with consumers. One of the most significant developments in recent years is the rise of social commerce, a subset of e-commerce that involves the use of social media platforms to facilitate online buying and selling. Social commerce in Malaysia has gained significant traction, with consumers increasingly turning to social media for product recommendations, peer reviews, and direct purchases.

Among the various tools used in social commerce, live streaming has become a popular and effective method for businesses to engage with potential customers. Live streaming allows brands to showcase their products in real-time, interact directly with consumers, and provide immediate answers to questions, creating an immersive and personalized shopping experience. This method of live engagement is particularly appealing in Malaysia, where social media usage is widespread, and online shopping is growing at an exponential rate.

The influence of live streaming on consumer purchase decisions in Malaysia is a relatively underexplored area,

particularly when compared to more traditional forms of digital marketing. While studies have examined the general impact of live streaming on consumer behavior in other countries, there is limited research focusing on its specific role within Malaysia's social commerce ecosystem. This study aims to fill this gap by exploring how live streaming impacts consumer decision-making in Malaysia's rapidly growing social commerce market.

By investigating factors such as trust, perceived product value, interactivity, and entertainment value, this paper aims to provide a deeper understanding of the drivers behind consumer purchase decisions in the context of live streaming. The findings will offer valuable insights for businesses and marketers seeking to leverage live streaming as an effective tool for engaging with Malaysian consumers and driving sales.

METHODS

This study adopted a mixed-methods approach, combining both quantitative and qualitative research methods to provide a comprehensive understanding of the influence of live streaming on consumer purchase decisions in Malaysia's social commerce landscape.

1. Survey

A survey was conducted among 500 Malaysian consumers who actively engage with social media platforms and have made at least one purchase through social commerce channels. The sample was selected using a stratified random sampling method to ensure diversity in terms of age, gender, and geographic location. The survey aimed to assess various factors that influence consumer behavior during live streaming events, including:

- Engagement Level: How frequently consumers participate in live streaming sessions.
- Purchase Intent: The likelihood of purchasing products after participating in live streams.
- Influencer Trust: The trustworthiness of influencers presenting the products.
- Entertainment Value: The enjoyment and entertainment derived from live streaming sessions.
- Perceived Product Value: How the product is perceived based on its live streaming presentation.

The survey consisted of a mix of closed-ended questions and Likert-scale items, designed to capture consumer attitudes toward live streaming, as well as their purchasing behaviors.

2. Interviews

In addition to the survey, 15 in-depth interviews were conducted with social commerce influencers and marketers based in Malaysia. These interviews provided valuable insights into how live streaming is strategically used in marketing campaigns, the role of influencers in building consumer trust, and the best practices for creating engaging live streaming content. The interviewees were selected based on their experience in managing or hosting live streaming sessions on platforms such as Instagram, Facebook, and TikTok. The semi-structured interview format allowed for open-ended responses and provided a deeper understanding of the practices and challenges faced by influencers and marketers in leveraging live streaming to influence consumer decisions.

3. Data Analysis

Quantitative data from the survey were analyzed using descriptive statistics and inferential techniques, such as regression analysis, to identify key factors that influence purchase decisions in the context of live streaming. The analysis aimed to determine the relationships between engagement, trust, entertainment, and purchase intent.

Qualitative data from the interviews were analyzed using thematic analysis. The responses were transcribed

and coded, identifying recurring themes related to the effectiveness of live streaming in engaging consumers and driving sales. These themes were then used to supplement the quantitative findings and provide a richer understanding of the dynamics at play.

RESULTS

The findings of this study revealed several key insights into the role of live streaming in consumer purchase decisions in Malaysia's social commerce landscape.

1. Consumer Engagement

The survey results showed that 68% of respondents frequently engage with live streaming events, with 40% indicating that they have made a purchase after participating in a live streaming session. Consumers reported that the interactive nature of live streaming, including the ability to ask questions and receive immediate responses, significantly enhanced their shopping experience. This high level of engagement was found to positively correlate with purchase intent.

2. Trust in Influencers

One of the most significant drivers of purchase decisions was trust in the influencer hosting the live stream. About 74% of respondents stated that they were more likely to purchase a product if it was presented by an influencer they trusted. Influencers who demonstrated expertise in the product category or who had established a personal connection with their audience were found to be particularly effective in driving consumer trust and, by extension, influencing purchase decisions.

3. Entertainment Value

Entertainment value also played a significant role in influencing consumer behavior. Consumers reported that they enjoyed the entertainment aspect of live streaming, such as product demonstrations, giveaways, and interactive activities. 65% of respondents noted that the entertainment value enhanced their perception of the brand and made them more likely to consider making a purchase.

4. Perceived Product Value

Live streaming was found to increase consumers' perceived product value. When products were presented in an engaging and informative manner, consumers were more likely to perceive the products as valuable, which positively influenced their purchase decisions. This was particularly true for categories such as fashion, beauty, and tech gadgets, where product presentation plays a significant role in decision-making.

5. Challenges Faced by Influencers and Marketers

Interviews with influencers and marketers revealed several challenges in leveraging live streaming effectively. These included technical issues such as poor internet connectivity, the challenge of keeping audiences engaged for extended periods, and the pressure to maintain an authentic and trustworthy persona. Marketers emphasized the importance of building a long-term relationship with audiences rather than focusing on one-time sales events.

DISCUSSION

The findings of this study highlight the growing importance of live streaming as a tool for influencing consumer purchase decisions in Malaysia's social commerce sector. The high levels of engagement, trust in influencers, and the entertainment value provided during live streaming sessions have proven to be effective in driving consumer behavior.

Live streaming's ability to foster interactivity and provide a sense of immediacy creates a unique opportunity for brands to build trust and showcase their products in a more dynamic way compared to traditional e-commerce platforms. The study also underlines the role of influencers in shaping consumer perceptions and driving sales. This is particularly relevant in Malaysia, where influencer marketing is already an established practice in the social commerce space.

However, businesses must overcome challenges such as maintaining authenticity and addressing technical issues to fully capitalize on the potential of live streaming. Future research could explore the long-term impact of live streaming on brand loyalty and customer retention.

The findings of this study reveal critical insights into the influence of live streaming on consumer purchase decisions within Malaysia's social commerce landscape. Live streaming has emerged as a significant factor in shaping consumer behavior, enhancing engagement, and driving sales. The discussion of these findings is organized around the main factors identified in the research: consumer engagement, trust in influencers, entertainment value, perceived product value, and the challenges faced by marketers and influencers.

1. Consumer Engagement and Interactivity

One of the most striking findings of this study is the high level of consumer engagement during live streaming sessions. The interactive nature of live streaming, where consumers can comment, ask questions, and receive immediate feedback, was consistently cited by respondents as a key motivator for purchasing. The survey found that 68% of participants actively engage with live streams, and 40% of them have made a purchase following a live streaming event. This finding aligns with previous studies in other regions, which have shown that live streaming's real-time interaction fosters a sense of community and personal connection between the brand and consumers (Zhou & Li, 2021).

This interactivity is critical in social commerce because it creates a more immersive shopping experience. In traditional e-commerce, consumers typically browse products passively, often lacking the real-time engagement that could influence their decisions. However, live streaming platforms facilitate immediate interaction between sellers and buyers, where viewers can request product demonstrations, ask questions, and receive answers instantly. The instantaneous nature of this exchange creates a sense of urgency and relevance, encouraging consumers to make quicker purchase decisions.

2. Trust in Influencers

The role of trust in influencers was a dominant theme in the results. The data from both the survey and interviews consistently highlighted that 74% of consumers are more likely to make a purchase if the product is presented by an influencer they trust. This finding underscores the significant role that influencer marketing plays in the decision-making process. Trust in the influencer builds a sense of credibility for the product being sold, and consumers feel more confident in their purchasing decisions when they believe that the influencer has genuine experience and expertise with the product.

This trust is particularly important in social commerce, as consumers increasingly rely on recommendations from individuals they perceive as authentic or relatable, rather than traditional advertising methods. Influencers who demonstrate a deep understanding of the products they are promoting and those who have built long-term, transparent relationships with their followers are more effective in driving consumer purchases. In Malaysia, where social media influencers are highly trusted by consumers, influencers serve as a bridge between the brand and the consumer, enhancing the persuasive power of live streaming.

3. Entertainment Value and Consumer Experience

The study also found that entertainment value significantly influences consumer behavior during live streaming events. Many consumers reported that they enjoy the entertainment aspects of live streaming, such as live demonstrations, product showcases, games, and giveaways. Around 65% of respondents stated that entertainment made them more likely to engage with a live stream and consider purchasing a product. This suggests that live streaming is not only about showcasing products but also about creating a memorable experience for the audience.

The entertainment aspect of live streaming is a key differentiator from traditional e-commerce. It adds a layer of fun and engagement, which makes the shopping experience more enjoyable and less transactional. Live stream hosts often use humor, storytelling, and high-energy performances to keep the audience entertained, which leads to increased viewer retention and a greater likelihood of impulse purchases. This entertainment component is particularly crucial in the Malaysian context, where online shopping is competitive, and consumers are looking for unique, engaging experiences that go beyond the traditional online retail model.

Furthermore, the live interaction between hosts and viewers adds a layer of personalization that traditional retail cannot match. This ability to engage with products and influencers in a dynamic, real-time setting helps consumers feel more involved in the shopping process, enhancing their overall experience.

4. Perceived Product Value

Perceived product value refers to how consumers perceive the worth of a product based on its live presentation. The research revealed that live streaming helps elevate consumers' perceptions of a product, particularly when it is showcased in an interactive and engaging manner. Consumers who participated in live streaming events reported a stronger connection to the products presented, which led to a higher perceived value. In fact, those who felt that the live streaming session provided detailed information and real-world demonstrations were more likely to consider the product valuable and make a purchase.

This phenomenon can be explained by the demonstrative nature of live streaming. Unlike static images or written descriptions, live streaming allows consumers to see products in use, hear about their features from trusted sources, and witness the product in real-life contexts. This experiential marketing strategy creates a stronger emotional connection with the product, which increases its perceived value. For example, fashion brands often use live streams to showcase the fit, quality, and styling of their garments, while tech brands use live demonstrations to highlight the functionality of gadgets. This helps break down consumer skepticism and build confidence in the product.

5. Challenges for Influencers and Marketers

While the findings of this study emphasize the effectiveness of live streaming in driving consumer purchases, several challenges for marketers and influencers were also highlighted. According to the interviews, influencers face several issues, including:

- **Technical Challenges:** Poor internet connectivity, technical difficulties with the live stream platform, and interruptions during broadcasts can hinder the effectiveness of live streaming. Influencers mentioned that the unpredictability of technology could potentially ruin the consumer experience and harm sales.
- **Authenticity and Pressure:** Influencers expressed the pressure to remain authentic while promoting products, especially in a market like Malaysia where consumers value transparency and honesty. Influencers must strike a balance between promoting products and maintaining their credibility with their followers. Over-commercialization or perceived insincerity can lead to a loss of trust and engagement.

- **Audience Retention:** Keeping an audience engaged for extended periods is another significant challenge. Some influencers noted that despite their best efforts to entertain and engage viewers, it was difficult to maintain audience interest during long streams, which can impact conversion rates. Marketers often struggle to find the right balance between content quality and duration to maximize engagement and sales.

These challenges highlight the complexity of live streaming as a marketing tool. Marketers need to invest in training, technology, and long-term influencer partnerships to maximize the effectiveness of live streaming campaigns. Moreover, building an authentic and engaging live-streaming experience requires careful planning and attention to audience preferences.

Implications for Social Commerce in Malaysia

The findings of this study suggest several implications for social commerce in Malaysia:

1. **Increased Investment in Live Streaming:** Given its impact on consumer behavior, brands should consider allocating more resources to live streaming as a key marketing strategy. The interactive, trust-building, and entertainment-driven nature of live streaming makes it a valuable tool in the Malaysian market, where consumers increasingly expect engaging shopping experiences.
2. **Influencer Partnerships:** Brands looking to leverage live streaming in Malaysia should focus on establishing long-term, authentic partnerships with influencers who can build trust and engage their audience effectively. This partnership should be centered around transparency, product expertise, and shared values to ensure that the influencer's promotion resonates with the audience.
3. **Enhanced User Experience:** Marketers should focus on enhancing the overall experience of live streaming by ensuring technical reliability, providing entertainment, and fostering community interactions. Strategies such as incorporating real-time feedback, special offers, and interactive features like polls and giveaways can increase consumer engagement and purchase intent.
4. **Training for Marketers and Influencers:** To overcome technical and authenticity challenges, businesses should invest in training programs for influencers and marketers. Ensuring that live streaming sessions are smooth, engaging, and professional will help mitigate technical issues and maintain audience interest.

Live streaming has emerged as a powerful tool in Malaysia's social commerce ecosystem, shaping consumer purchase decisions through engagement, trust, and entertainment. By offering real-time interactions, personalized experiences, and increasing the perceived value of products, live streaming has proven to be highly effective in driving sales. However, businesses and influencers must overcome challenges related to technology, authenticity, and audience retention to maximize its potential. This study contributes to understanding the role of live streaming in social commerce and provides actionable insights for marketers seeking to harness its power in the Malaysian market.

CONCLUSION

Live streaming has become a powerful tool in shaping consumer purchase decisions in Malaysia's social commerce landscape. By offering a unique blend of interactivity, trust-building, and entertainment, live streaming helps brands engage with consumers in a more personalized and effective manner. As the popularity of social commerce continues to grow in Malaysia, businesses that effectively leverage live streaming will be better positioned to influence consumer behavior and drive sales. This study contributes to a deeper understanding of the dynamics of live streaming in social commerce and provides valuable insights for marketers looking to tap into this emerging trend.

The findings of this study highlight the significant role of live streaming in influencing consumer purchase decisions within the rapidly growing social commerce ecosystem in Malaysia. As e-commerce continues to evolve, live streaming has become a crucial tool for brands, businesses, and influencers to enhance customer engagement, build trust, and ultimately drive consumer purchases. This research demonstrates that live streaming's interactive and immersive nature has a profound impact on the way consumers make purchasing decisions, offering both businesses and consumers a dynamic platform for engagement.

Key Insights from the Study

The results of this study can be summarized into several key insights:

1. **Consumer Engagement:** Live streaming's real-time interaction, where viewers can ask questions, participate in discussions, and engage with the content, enhances the overall consumer experience. The ability to interact directly with the brand or influencer during the live stream creates a sense of community and personal connection that traditional e-commerce cannot replicate. This interactivity fosters a more immersive shopping experience and strengthens the bond between consumers and brands, which can result in higher purchase intent.
2. **Trust in Influencers:** The study reveals that trust in influencers is a central factor influencing consumer purchasing decisions. As Malaysian consumers increasingly turn to social media influencers for product recommendations, brands that partner with trusted influencers are more likely to see higher levels of consumer engagement and sales. The findings show that when consumers trust the influencer presenting the product, they are significantly more likely to make a purchase. Authenticity and transparency were found to be crucial in establishing this trust, emphasizing the importance of long-term relationships between influencers and their followers.
3. **Entertainment and Emotional Engagement:** The entertainment value of live streaming is another crucial aspect of its success. Consumers are not merely interested in purchasing products but also seek entertainment and enjoyment from the live streaming experience. The study found that 65% of respondents were more likely to purchase after participating in an engaging, fun, and entertaining live stream. This entertainment-driven approach helps break down the barriers of traditional shopping, turning it into a more enjoyable and interactive process. As a result, consumers are more inclined to make impulse purchases when entertained, which speaks to the power of live streaming to influence decision-making on an emotional level.
4. **Perceived Product Value:** Live streaming enables consumers to experience products in real-time, enhancing their understanding of the product's features, functionality, and quality. The research showed that consumers often perceive products as more valuable when presented through live streaming, as it allows them to see the product in use, hear from experts, and ask questions directly. This dynamic, experiential marketing approach creates a sense of urgency, excitement, and authenticity, which contributes to consumers' perception of the product's worth.
5. **Challenges and Barriers:** Despite the numerous advantages of live streaming, the study also uncovered several challenges that marketers and influencers face in the Malaysian context. These include technical issues such as internet connectivity problems, which can disrupt live streams and negatively impact the viewer experience. In addition, influencers feel the pressure to balance entertainment and product promotion, ensuring that their content remains authentic and not overly commercialized. These challenges suggest that while live streaming holds great potential, effective execution requires attention to detail, preparation, and overcoming technical limitations.

Implications for Future Social Commerce Practices in Malaysia

Given the rapid growth of social commerce in Malaysia and the increasing popularity of live streaming, businesses and marketers should consider incorporating live streaming as a key component of their digital marketing strategies. The following are some practical recommendations for brands looking to leverage live streaming effectively in Malaysia's social commerce market:

1. **Invest in Technology and Infrastructure:** To address technical issues such as poor internet connectivity and streaming disruptions, brands and influencers should invest in high-quality streaming equipment and ensure that their internet connections are reliable. Ensuring a smooth and uninterrupted live stream is essential for maintaining consumer interest and providing a positive user experience.
2. **Focus on Building Long-Term Influencer Relationships:** Brands should prioritize forming long-term relationships with influencers who align with their values and resonate with their target audience. By working with trusted and relatable influencers, businesses can foster authenticity and credibility, which is essential for driving consumer trust and encouraging purchases.
3. **Enhance Consumer Experience Through Interactivity:** Marketers should design live streaming sessions that maximize interactivity, such as offering Q&A sessions, polls, giveaways, and live product demonstrations. The more engaging and interactive the stream, the greater the likelihood that consumers will actively participate and feel emotionally connected to the brand, which can lead to higher sales.
4. **Emphasize Entertainment and Value:** Successful live streaming is not just about selling products; it's about creating an enjoyable and memorable experience for consumers. Marketers should incorporate entertaining elements into their live streams, such as humor, storytelling, and engaging content, to keep viewers entertained while simultaneously highlighting the value of the product. This approach can increase consumer loyalty and encourage repeat purchases.
5. **Monitor and Adapt to Consumer Feedback:** Since consumer preferences and behaviors in live streaming are still evolving, it is important for marketers to continuously monitor consumer feedback and adapt their strategies accordingly. Gathering insights from live stream viewers and analyzing engagement data can help brands improve their content, fine-tune their messaging, and optimize future live streaming campaigns.

Contributions to Existing Literature

This study makes an important contribution to the literature on social commerce and consumer behavior, particularly in the context of Malaysia. While existing research has explored the influence of live streaming on consumer behavior in other markets, few studies have focused specifically on its impact in Malaysia. This study provides valuable insights into how live streaming is shaping the Malaysian e-commerce landscape and offers a deeper understanding of how cultural and technological factors influence consumer purchasing behavior in this region.

Moreover, the study highlights the role of influencers in social commerce, reinforcing the growing importance of influencer marketing in digital strategies. The research also emphasizes the entertainment-driven nature of live streaming, which contributes to a broader understanding of the evolving role of entertainment in consumer decision-making processes.

Limitations and Future Research Directions

While this study offers valuable insights, there are several limitations that should be considered:

1. **Sampling Bias:** The sample for the survey was drawn from a specific group of consumers who engage with

social media platforms and have made purchases through social commerce channels. Future research could expand the sample size and include consumers from different demographic backgrounds to gain a more comprehensive understanding of live streaming's impact on a broader population.

2. **Technological Advancements:** As the digital landscape evolves rapidly, new tools and technologies may emerge that influence consumer behavior in live streaming. Future studies should explore how emerging technologies, such as augmented reality (AR) and virtual reality (VR), could further enhance the live streaming experience and influence purchase decisions.

3. **Long-Term Impact:** This study primarily focuses on immediate purchase decisions. Future research could explore the long-term effects of live streaming on brand loyalty and consumer retention. Understanding whether live streaming drives repeat purchases or fosters brand advocacy could provide further insights into its strategic value for businesses.

Final Thoughts

Live streaming has proven to be an influential and powerful tool in shaping consumer purchasing decisions in Malaysia's social commerce market. By fostering direct interaction, building trust, and providing an engaging and entertaining experience, live streaming can significantly enhance consumer engagement and drive sales. However, businesses must overcome technical challenges and focus on maintaining authenticity to maximize its potential. As live streaming continues to evolve, businesses that effectively leverage its capabilities will be well-positioned to thrive in Malaysia's competitive social commerce landscape.

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