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Effectiveness of Brand Ambassador on Tiktok in the Purchase Intention of

Young Professionals in San Pedro, Laguna

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Abstract

This study examined (1) the level of effectiveness of Brand Ambassadors on TikTok in the Purchase Intention of Young Professionals in terms of Visibility, Credibility, Attractiveness, and Power (VisCAP); (2) the factors affecting the purchase intention of Young Professionals towards shopping behavior in terms of Online Behavioral Advertising, Perceived Risk, Trust, and Social Commerce Constructs. (3) It also determined the significant difference between the characteristics (based on the VisCAP model) and the Purchase Intention of Young Professionals in San Pedro, Laguna. Data were analyzed using Multiple Linear Regression. The results showed that (1) in assessing the level of effectiveness of Brand Ambassadors on TikTok is the Purchase Intention of Young Professionals in terms of Visibility, Credibility, Attractiveness, and Power; respondents agreed that Power affects the most in the effectiveness of Brand Ambassadors in TikTok (2) in assessing the factors affecting the purchase intention of Young Professionals toward shopping behavior in terms of Online Behavioral Advertising, Perceived Risk, Trust, and Social Commerce Constructs, respondents agreed that Social Commerce Constructs affects the most the

purchase intention of Young Professionals (3) the characteristics of Brand Ambassadors have a significant influence on the Purchase Intention of Young Professionals in San Pedro, Laguna.

Keywords: *Brand Ambassadors, TikTok, Purchase Intention, Young Professionals, VisCAP*

Introduction

According to Simon Digital Marketing Institute (2021) research, 48 percent of respondents executed influencer campaigns, with interest in using influencers on TikTok increasing by 32.5 percent in only one year. Social media has allowed ordinary individuals to develop their brands through exciting content and engagement. Traditional celebrities are less relatable than these new influencers. After all, social media platforms are used in some form or another by governments all over the world. Furthermore, as more people join social media networks daily, businesses have learned that these platforms can be used for marketing.

TikTok's user base grew by 58.2 percent between 2019 and 2020. TikTok hit its first billion downloads in February 2019, and it only took eight months to get another half-billion users. TikTok gives amateur video filmmakers (labeled "creators") the tools and platform to share their work with a global audience. Creators use the site to share their work to gain engagement. Likes, comments, or follows are examples of engagements; the more attention, the more authority a creator has. Product endorsements, collaborations, and brand ambassadorships are all ways to monetize your credibility. According to studies, TikTok users spend an average of 81 minutes per day on the app, which they access an average of sixteen times each day. TikTok users spend four times as much time as Instagram users. TikTok is currently available in 155 countries and territories throughout the world. (Masigan, 2021).

This makes TikTok an excellent marketing platform for businesses in the fashion (apparel, accessories, and footwear) industry, as well as cosmetics, electronics, fashionable food goods, and lifestyle products. However, in this industry, trends change quickly, and product preferences are fickle. Consumer goods marketers may break into the TikTok realm by collaborating with creators. Creators are chosen based on how well their videos' tone, mood, and theme reflect the product or brand's values. Of course, the number of followers plays a significant role in the equation. Because authenticity sells, a video matches the creator's personality, and the brand has a higher chance of becoming viral.

It was observed that most of the studies focused on the effectiveness of Brand Ambassadors on other social media platforms. Since TikTok is becoming a popular promotional tool, there needs to be more literature on studies about how it can use by marketers. Aside from that, there needed to be more studies presenting using a different respondent, specifically Young Professionals, and investigating the impact of variables of the VisCAP model on the Purchase Intention.

Review of Related Literature

Role of Brand Ambassadors

A brand ambassador is someone who receives some form of compensation or benefits in exchange for endorsing a product (Seldaña, 2019); they play a significant role in creating a good brand image because the organization chooses only eminent personalities who have a good image in the eyes of the public. With the positive image of the ambassador, the brand image also becomes positive. Many companies use brand ambassadors to advertise their products in this context. A company's brand development requires a high level of commitment and consistency.

In addition, a company's brand requires having an identity that allows them to engage with its customers through a value proposition that includes functional benefits.

In this era of digitalization, it is the proper strategy to use brand ambassadors to improve sales and generate a positive image of the company's products. Because of the phenomenal growth in online transactions in 2018-2019, digital marketing is regarded as a promising strategy, with 65.3 % of the total online transactions. Young individuals were involved in 33% of these transactions. (Nisa & Pramesti, 2019)

The advancement of these technologies is increasingly well-known among young people. Marketing trends have changed from physical to online transactions in the digital era. Compared to offline marketing, most online marketing is more effective and focused. Furthermore, the advancement of information technology has an impact on the changes in the consumer's behavior as well as imagining a figure often referred to as a brand ambassador; he or she represents the product's nature.

They grab attention every time they appear on any mass media or platform, which is another reason why brands mainly choose celebrities to advertise their brand, not ordinary people. They also inspire new customers to use that product because they are inspired by the faces that endorse that brand. They develop an automatic and instant connection with famous personalities as they know them (Choursia, 2018).

However, ambassadors of the brand deal with specific challenges, such as various pressures imposed on the ambassador of themselves and those heard by the brand, as well as the fear of appearing as a marketer and lack of communication with the brand (Guerin, 2021)

TikTok as a Marketing Tool

According to Vancottem (2021), TikTok is a short-video platform comparable to Vine and combined with Musical.ly in 2018, and it is becoming the go-to social media for the younger population.

Various insights on TikTok show how important it is to reach the younger generation as a marketing tool, which is more difficult to reach, especially from a marketing perspective. It is also more critical of content that demands reliability—more than any generation. Social platforms are of particular interest to marketers as they attract young consumers. These young consumers are more likely to accept certain types of marketing communications, influencer marketing. From a reliability standpoint, TikTok is known for brands that need to give influencers complete control over their content. Because TikTok, as it is known, knows the audience and how to reach them in a way that matches regular content. From the point of view of product positioning, the application market is getting younger and younger. Therefore, the audience of early TikTok users is young users between the ages of 18-38. Regarding product features, the interface design is divided into simple recommendations and notes that are easy to use and attract more target users.

An important metric for marketers is that engagement on the platform increased by 15% between 2017 and 2019. This is one of the significant benefits for the business of being active on TikTok, as 25% of the apps are opened once after download and never used again.

Purchase Intention

Purchase Intention refers to the "antecedents that stimulate and drive consumers' purchases of products and services" and is defined as "the consumers' willingness to be involved in an online transaction." Purchase intention can also be "the probability that the consumer will

purchase the product." In addition, the way customers choose which products or services to buy online is linked to their purchasing behavior.

For strategy developers and commercial experts, the concept of purchasing intention is a critical attention topic, and it is crucial to recognize which variables in specific buyer group's impact purchase intention. It is considered one of the most critical inputs marketers use to forecast future sales and alter activities to influence consumer behavior. (Abbass & Farid, 2020)

Online Behavioral Advertising

Online Behavioral Advertising (OBA) is defined as a "type of online advertisement that uses a combination of focusing on the people who are most closely associated with the product." Browsing the internet and searching for information, purchases, media consumption data (e.g., videos watched or images viewed), application usage statistics, click-through rates, and communication content such as what is written in e-mails or talked in online forums via Whatsapp or posted on social media are all examples of online activities. (Kusumawati & Vinata, 2021).

Perceived Risk

Perceived risk in marketing is defined as "the nature and amount of risk perceived by a consumer in contemplating a particular purchase action." It refers to a combination of risk and seriousness of the outcome. The consumer's perception of the uncertainty and negative consequences of purchasing a product or service is also known as perceived risk. (Abbass, & Farid, 2020) The consumer's subjective perception of the potential loss from purchasing online is what the term "perceived risk of shopping online" refers to.

Trust

"The amount to which the online shop will meet its responsibilities, behave as expected, and pay attention to its consumers" defines trust in an online setting. Several factors, including trust, influence the intention to buy. (Dachyar & Banjarnahor, 2017) In essence, all transactions, especially those in a virtual online environment, require a component of trust.

Social Commerce Constructs

Social media has opened new networking avenues between online sellers and buyers. Customers can share their experiences and knowledge in forums and online social groups, allowing them to suggest products and services to others. Researcher's characterized social commerce constructs as "the presence of product comments, ratings, and reviews," also known as "word-of-mouth marketing" or "word-of-mouth." (Maia et al., 2018)

Statement of the Problem

The main goal of this study is to find out the effectiveness of Brand Ambassadors on TikTok in the Purchase Intention of Young Professionals in the city of San Pedro, Laguna. Hence, this study aimed to determine the following: (1) the level of effectiveness of Brand Ambassadors on TikTok to the Purchase Intention of Young Professionals in terms of Visibility, Credibility, Attractiveness, and Power (VisCAP), (2) the factors affecting the purchase intention of Young Professionals towards shopping behavior terms of Online Behavioral Advertising, Perceived Risk, Trust, and Social Commerce Construct. (3) If there is a significant difference between the characteristics (based on the VisCAP model) and the Purchase Intention of Young Professionals in San Pedro, Laguna.

Hypothesis

Based on the identified problems, the researchers formulated the hypotheses below:

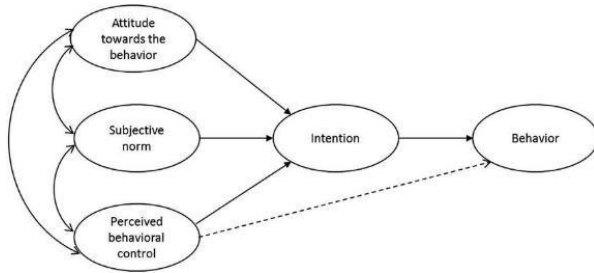
Ho1: Brand Ambassadors on TikTok and the Purchase Intention of Young Professionals are the same.

Framework

The study is anchored from the theoretical support of the VisCAP (Visibility, Credibility, Attractiveness, and Power) model provides a mechanism for evaluating the Visibility of an endorser along with Credibility, Attractiveness, and Power among target audiences (Rossiter & Percy, 1997). Visibility measures how far the endorser's popularity is. Credibility is related to the product knowledge of the endorser. Attractiveness focuses more on the attractiveness of the endorser. Finally, Power refers to the endorser's ability to attract consumers to buy the product. The model will identify the characteristics or profiles of endorsers, including what is appropriate and under the products or services marketed, so that the expected marketing objectives can be achieved effectively and maximally, especially in the e-commerce industry (Muchardie & Pujiansyah, 2020).

Figure 1

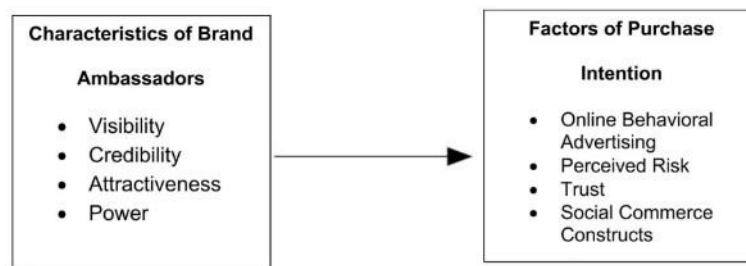
Theory of Planned Behavior



Another theoretical support is the Theory of Planned Behavior (Ajzen, 1991) extends the boundary condition of pure volitional control specified by the theory of reasoned action. This is accomplished by including beliefs about having the necessary resources and opportunities to perform a specific behavior. The connection between behavioral intentions and actions is broadly labeled by the Theory of Planned Behavior (TPB), which displays a significant association between purpose and actual use. Attitudes, subjective norms, and perceived behavioral control affect consumers' feelings about a specific behavior. As a result, the Theory of planned behavior is essential to marketers to understand where specific consumer behaviors are generated (Miller, 2020).

Figure 2

Conceptual Framework



The study's conceptual framework consists of two variables, Characteristics of brand ambassadors as an independent variable and purchase intention as the dependent variable. The independent variable, which is the characteristics of the Brand Ambassadors, pertains to the factors such as Visibility, Credibility, Attractiveness, and Power (VisCAP) that measure the effectiveness of Brand Ambassadors. The dependent variable, which is Purchase intention that consists of perceived risk, trust, and social commerce constructs, are factors that affect the Purchase intention of Young Professionals.

Methodology

This study utilized a quantitative approach to determine the effectiveness of Brand Ambassadors on TikTok in the Purchase Intention of Young Professionals. Four hundred young professionals who are white-collar workers aged 20-39 years living in San Pedro, Laguna ages 20 to 39 (4) with an associate's, bachelor's, master's, or professional degree and have a TikTok account. The survey result was analyzed using frequency and percentage distribution, ranking, weighted mean, and Multiple Linear Regression.

Discussion of Results

This research was conducted to determine the effectiveness of brand ambassador characteristics based on the VisCAP model in predicting purchase intention. Using Multiple Linear Regression, the analysis resulted in particularly relevant results that indicated the relative figures that answer the general objective of this study. Table 1 shows the characteristics of Brand Ambassadors that significantly influence the target respondents' intention to purchase, such as Online Behavioral Advertising, Perceived Risk, Trust, and Social Commerce Constructs. Likewise, the null hypothesis is rejected as results indicate an existing influence between

VisCAP to Online Behavioral Advertising, Perceived Risk, Trust, and Social Commerce Constructs.

Table 1

Inferential Statistics for the Correlations of Characteristics of Brand Ambassadors and Purchase Intention Using Multiple Linear Regression

Models	R	R ²	Adjusted R ²	Overall Model Test			
				F	df ₁	df ₂	p-value
VisCAP → OBA	0.70	0.49	0.49	95.79	4	395	<0.001***
VisCAP → PR	0.37	0.13	0.12	15.23	4	395	<0.001***
VisCAP → T	0.60	0.36	0.35	55.21	4	395	<0.001***
VisCAP → SCC	0.45	0.21	0.20	25.52	4	395	<0.001***

Note: * indicates $p < 0.05$, ** indicates $p < 0.01$, *** indicates $p < 0.001$.

The results show that the 49% ($R = 0.70$) of the variance in Online Behavioral Advertising is explained by the four predictors (specifically [1] Visibility, [2] Credibility, [3] Attractiveness, and [4] Power), $F(4,395) = 95.79, p < 0.001$. Specifically, Visibility ($\beta = 0.13, t = 2.52, p = 0.012$), Attractiveness ($\beta = 0.27, t = 5.04, p < 0.001$), and Power ($\beta = 0.32, t = 6.10, p < 0.001$) are found to be significantly and positively associated with online behavioral advertising. On the other hand, Credibility ($\beta = 0.10, t = 1.87, p = 0.063$) was not significantly related to the outcome variable. This suggests that respondents who identify brand ambassadors as having characteristics such as Visibility, Attractiveness, and Power are likelier to report higher scores in online behavioral advertising.

In terms of perceived risk, the result shows that 12% ($R = 0.37$) of the variance is explained by the four predictors ($F(4,395) = 15.23, p < 0.001$). Mainly, Visibility ($\beta = 0.14, t = 2.11, p = 0.026$), Credibility ($\beta = 0.17, t = 2.49, p = 0.013$), and Power ($\beta = 0.08, t = 2.07, p = 0.039$) are significantly and positively associated with perceived risk. In contrast, Attractiveness ($\beta = -0.03, t = -0.42, p = 0.678$) is identified as having no significant relation to the outcome

variable. This indicates that respondents that identify brand ambassadors as having characteristics such as Visibility, Credibility, and Power are more likely to report higher scores in perceived risk.

For the trust, the data yielded that 35% ($R = 0.36$) of the variance of the said variable can be attributed to the four predictors ($F(4,395) = 55.21, p < 0.001$). Specifically, Credibility ($\beta = 0.29, t = 5.02, p < 0.001$), Attractiveness ($\beta = 0.17, t = 2.83, p = 0.005$), and Power ($\beta = 0.18, t = 3.09, p = 0.002$) are found to be significantly and positively associated with Trust. On the other hand, Visibility ($\beta = 0.04, t = 0.80, p = 0.424$) was not significantly related to the outcome variable. This suggests that respondents identifying brand ambassadors with characteristics such as Credibility, Attractiveness, and Power are likelier to report higher Trust scores.

Lastly, 20% ($R = 0.45$) of the variance of the Social Commerce Constructs is explained by the identified four predictors ($F(4,395) = 25.52, p < 0.001$). Mainly, Credibility ($\beta = 0.23, t = 3.59, p < 0.001$) and Power ($\beta = 0.37, t = 5.67, p < 0.001$) are significantly and positively associated with the Social Commerce Constructs. Contrary to the mentioned, Visibility ($\beta = -0.08, t = -1.30, p = 0.195$) and Attractiveness ($\beta = -0.07, t = -1.07, p = 0.283$) are identified not to have any significant relation to the said outcome variable. This indicates that respondents identifying Brand Ambassadors as having characteristics such as Credibility and Power are more likely to report higher scores in the Social Commerce Constructs. In comparison, those identifying with Visibility are likelier to report lower scores.

Conclusions

In this study, researchers concluded that (1) the level of effectiveness of Brand Ambassadors on Tiktok in the Purchase Intention of Young Professionals in terms of Visibility, Credibility, Attractiveness, and Power. Respondents agreed that Power affects the effectiveness

of Brand Ambassadors on TikTok the most. Most of the Young Professionals agreed that the ability of the Brand Ambassadors on TikTok to attract consumers to use the product affects the consumer's interest in buying the endorsed product. This result suggests that Power is an effective characteristic of Brand Ambassadors, which proves their influence on consumers to buy. Likewise, the target audience's strong and natural urge to buy stems from Brand Ambassadors idolized by the audience. (2) Moreover, in factors affecting the Purchase Intention of Young Professionals toward shopping behavior in terms of Online Behavioral Advertising, Perceived Risk, Trust, and Social Commerce Constructs, respondents agreed that Social Commerce Constructs affect the Purchase Intention of Young Professionals the most. As shown in the result, factors affecting the Purchase Intention of Young Professionals towards shopping behavior in terms of Social Commerce Construct. Most Young Professionals agreed that high ranking and product recommendations have a good reputation. These findings imply that Young Professionals are more receptive to social commerce constructions and believe in suggestions and referrals when they want to purchase. Consumers look for product information before purchasing and put more faith in peer recommendations than commercial information. Sharing knowledge and experiences with customers helps them make informed judgments about what to buy, significantly impacting their purchasing plans. (3) Our study revealed that Brand Ambassadors' characteristics significantly influence the Purchase Intention of Young Professionals. A key area for this result for Brand Ambassadors on TikTok is that they will be informed on the most effective way and strategy to promote the product they endorse. It will help them understand the consumers' perspective on how Brand Ambassadors must endorse or promote a product.

Limitations and Recommendations for Future Research

The study proved that Brand Ambassadors on TikTok increase the brand Visibility of the advertised product they promote on this platform. Thus, brands should focus on making their products visible on social media platforms to attract customers, improve the probability of the audience purchasing the product, and gain the target audience's trust. Moreover, brands and ambassadors should amplify their presence to attract followers and optimize their impact on marketing and customer reach. Brand ambassadors must project a consistent image and have a clear niche whenever they promote and show authentic passion for their brand and products.

Ambassadorship influences the purchasing patterns of the audience; thus, they should be open to any form of feedback, which can be helpful to brands in improving their referral marketing program or affiliate program with their brand ambassadors.

This study can be improved by adding more relevant factors and characteristics of Brand Ambassadors on how they affect the Purchase Intention of Young Professionals. Further research should investigate one product category in Brand Ambassadors on TikTok to evaluate the most dominant characteristics of Brand Ambassadors on TikTok and analyze the para-social relationship of Brand Ambassadors in TikTok with their followers.

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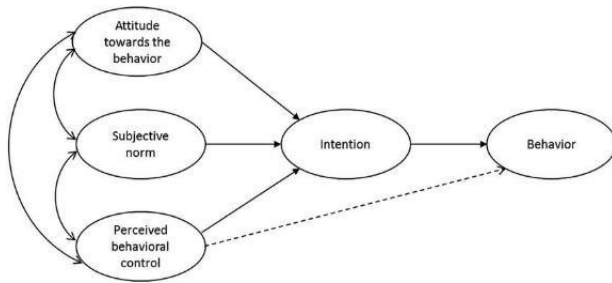
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Appendix

Appendix A

Figure 1

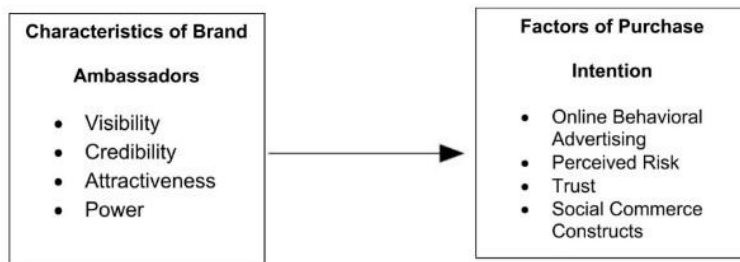
Theory of Planned Behavior



Appendix B

Figure 2

Conceptual Framework



Appendix C

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