

CHAPTER I

INTRODUCTION

1.1 Background

The rapid development of technology has led to changes in people's purchasing behavior. Online shopping has replaced traditional retail as the primary method of consumer purchasing (Asadiyah et al., 2023). One of the social media that is very popular among the public is TikTok. According to We Are Social (2024), it shows that there are estimated 157.6 million active users as of July 2024, Indonesia surpassed the US as the nation with the most TikTok users worldwide. Furthermore, TikTok has also become the most effective digital marketing platform because based on We Are Social data (2024), more than 67% of TikTok users in

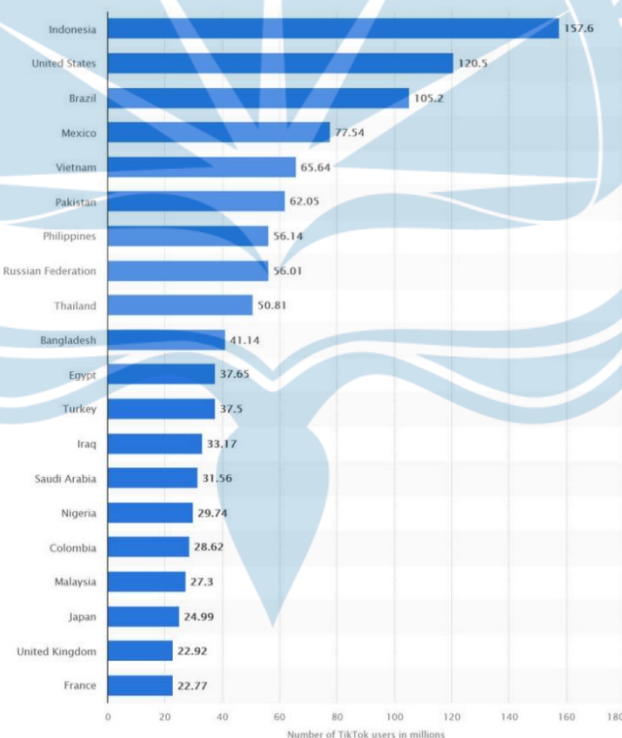


Figure 1.1 Countries with the largest TikTok audience as of July 2024

Indonesia use this platform to search for products before purchasing products. Moreover, TikTok has a TikTok Shop feature which is used by many users and

brands as affiliate marketing to increase their sales. With the advent of the affiliate marketing feature on TikTok, users can easily access promotional videos and reviews made by affiliators, making it easier to purchase products.

Based on the data presented in figure 1.1, it has been proven that Indonesia became the country with the most TikTok users in July 2024. The expanding digital trend in Indonesia, particularly among the younger population, is considered to be the reason of this significant increase. The platform has also had an impact on the e-commerce sector via TikTok Shop, which offers a unique online purchasing experience by allowing users to make purchases while viewing videos. This has had many positive effects on people in Indonesia such as many Indonesian content creators earning income through TikTok, both from the platform's monetization program and collaborations with brands. Another benefit is that MSMEs and local businesses also get a new effective and affordable marketing channel to reach consumers resulting in increased sales. Since affiliate marketing is a powerful source of income and converts consumer visibility into brand awareness, many businesses are now using it as one of their tactics (Raborar et al., 2025).

Affiliate marketing is a partnership where both parties work together to promote goods and services in order to make money (Nengah & Kertiriasih, 2023). Commissions can be earned by affiliates if the reviews posted can influence customer purchasing decisions and are able to drive traffic to the website or marketplace and lead to transactions. Through this mechanism, profits can be achieved not only by the seller but also the affliator. Content creators who become affiliators can create videos according to their creativity that contain promotions, honest reviews, trends, and product testimonials that are packaged in short videos and become attractive to the audience. These marketing contents are intended to attract consumers through the internet and encourage them to make purchases. Through the network of affiliate partners, TikTok Affiliate Marketing not only helps a business raise awareness of its goods or services but also affects consumer

behavior by influencing purchasing decisions and generating interaction (Dung & An. 2024).

The requirements needed to register as a TikTok affiliate are considered to be quite easy so that regular users can have the opportunity to become affiliates and earn income. Affiliators can input the product link using the Yellow Cart or

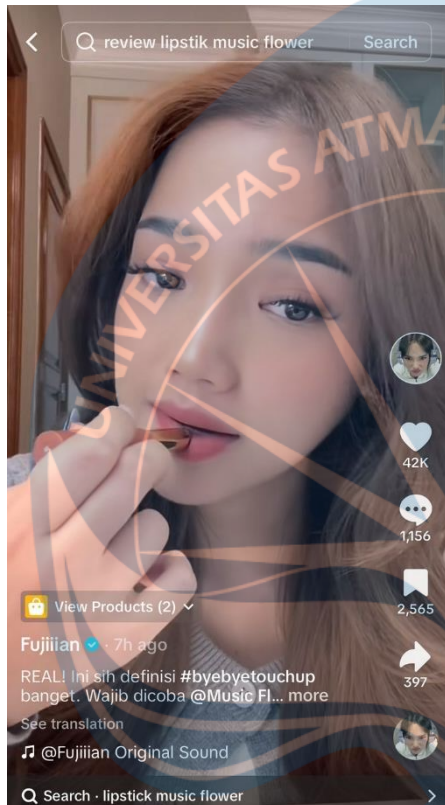


Figure 1.2 Yellow cart feature on TikTok

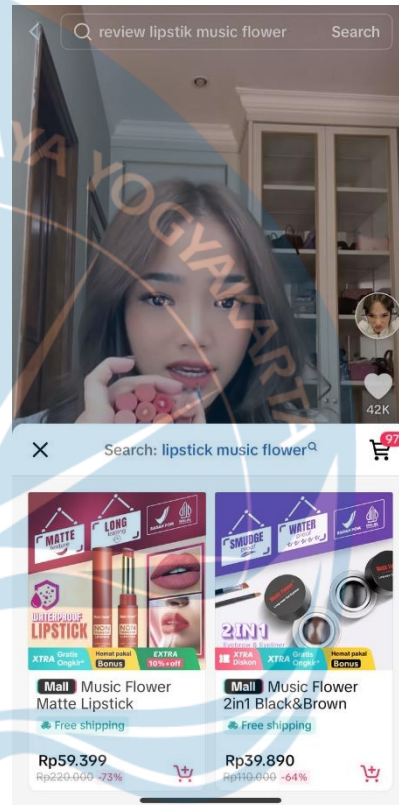


Figure 1.3 Product display on yellow cart feature

“Keranjang Kuning” feature and include it in the profile bio. As a result, when potential buyers want to see more about the product, they only need to click on the link. The seller can track the transactions originating from each TikTok affiliate creator using the unique code (Tempo.co, 2025). This enables the seller to calculate the commission that should be paid to the creator in relation to specific sales or actions. According to research by Nengah & Kertiriasih (2023), affiliators may receive commissions if their content has the potential to affect

customers' decisions about purchasing, drive more traffic to the website or marketplace, and result in sales.

The figures above shows the yellow cart feature which is extremely useful for affiliates to share product links with the audience. In order to develop positive perceptions about products, establish credibility through reliable recommendations, and utilize social media feedback to increase product appeal, influencers and content creators are essential (Azmi et al., 2025). Agustin et al. (2023) says that the audiences may easily go straight to the product they are interested in due to affiliate-generated content that includes information about the product's price, quality reviews, and referral links. Businesses can reach out to their current audience and market their products and services to a wider range of consumers by collaborating with affiliates equipped with helpful features such as yellow cart.

One of the most widely used apps globally is TikTok, which has effectively drawn users' attention because of its appealing features and visual appeal, particularly among Generation Z (Agustin et al., 2023). This research focuses on the perceptions and purchase intentions of Generation Z (Gen Z) as consumers who are affected by affiliate marketing content on the TikTok platform. According to Kumparan.com, data shows that there are over 60% of TikTok users in Indonesia are born between 1997 and 2012 demonstrates the platform's influence over Generation Z. Acquiring popularity on social media platforms makes it easier for affiliates to see which strategies are working to influence Gen Z's current purchasing intentions (Raborar et al., 2025). Generation Z are also quite active on social media and frequently ask influencers they follow for product recommendations. According to Hardianawati (2023), affiliate marketing content, particularly on TikTok platform, has a big influence on what people decide to purchase. Therefore, this phenomenon is considered important so that the writer wants to analyze the impact of TikTok affiliate marketing content on Gen Z purchase intention.

According to research by Azmi et al. (2025), TikTok affiliate marketing significantly influences purchase intention for Jakarta's Generation Z based on social impact and customer feedback. In contrast, there is no significant impact from the factors of perceived usefulness, trust, and promotion. This indicates a lack of knowledge of the variables that affect Generation Z's desire to purchase products through TikTok affiliate marketing, particularly those related to perceived utility, trust, and promotion. Moreover, the study is focused on Jakarta, Indonesia, which may not be representative of Generation Z behaviors in other regions. On the other side, the same study by Dung & An. (2024) in Vietnam found that promotions and social impact variables do not have a significant effect on influencing purchase intention through Affiliate Marketing TikTok among Vietnamese youth. Meanwhile, other research conducted by Mulla. (2022) discovered that in the e-commerce sector, affiliate marketing had a significant impact on customers' purchasing decisions. This shows inconsistent results even within the same research context. Addressing these gaps could enhance the understanding of purchase intentions through TikTok Affiliate Marketing among consumers. Therefore, the author would like to add research with regional differences by collecting respondents from all regions of Indonesia to determine whether the results will be consistent in different regions. This approach may reveal demographic differences in the factors that influence purchase intention.

From the previous study findings, it can be concluded that further research is still needed to find out the factors that influence TikTok affiliate marketing on consumer purchase intentions. Furthermore, the cultural and geographical differences will definitely affect the results of research on TikTok affiliate marketing on purchase intention. It also emphasizes the need for additional research in order to adjust to the rapidly changing of consumer behavior and digital marketing. The results of this study can provide deeper understanding into potential for business by using TikTok affiliates as part of their marketing initiatives. In

addition, it can help affiliate partners who earn commissions through the TikTok affiliate network.

1.2 Problem Formulation

1. Does perceived usefulness positively influence purchase intention through TikTok affiliate marketing?
2. Does trust positively affect the purchase intention through TikTok affiliate marketing?
3. Does promotion positively affect the purchase intention through TikTok affiliate marketing?
4. Does feedback positively affect the purchase intention through TikTok affiliate marketing?
5. Does social impact positively affect the purchase intention through TikTok affiliate marketing?

1.3 Research Purpose

The aim of this study is to comprehensively examine the relations among perceived usefulness, trust, promotion, feedback, and social impact to the purchase intention through TikTok affiliate marketing, exploring the dynamics between social media content creation and consumer purchasing behavior. This study attempts to provide more insight on how TikTok's distinct platform and content style influence the way that customers make decisions on their purchase. Through this research, it is hoped that it can provide benefits for businesses and TikTok application users, as well as educate them about the influence of affiliate marketing on consumer purchase intention.

1.4 Research Benefit

1. The understanding of consumer behavior

By exploring how TikTok affiliate marketing affects consumers' interest in making a purchase, the study offers an extensive understanding of modern

consumer behavior, demonstrating how digital platforms and short videos influence psychological engagement and purchase decisions.

2. Theoretical contribution

From a theoretical perspective, the research contributes significantly to expanding existing marketing frameworks, presenting data demonstrating the effectiveness of content-driven marketing strategies in social media environments. This research also provides understanding on how effective digital marketing strategies may be in establishing deep connections with customers and influencing their intention to make purchases in a market that is becoming more digitally and globally integrated.

3. Practical benefits for merchants

Affiliate marketing offers businesses a strategic way into the complex purchasing behavior of Generation Z. By partnering with affiliates, merchants can reach influencers' existing audiences and increase their brand awareness among Gen Z customers. Furthermore, merchants only pay for successful conversions since affiliate marketing is based on a performance-based basis. As a result, it's an affordable method to interact with Generation Z.

4. Promoting and educating about affiliate marketing program

The research provides valuable practical insights by illustrating the suggested strategies for creating successful social media affiliate marketing campaigns. Additionally, the businesses and entrepreneurs intended to be educated by this research on the strategic value of using social media platforms for marketing.

1.5 Research Systematic

CHAPTER I: Introduction

The introduction comprises five components: the research background, research questions, research objectives, research benefits,

and research systematics. This chapter also explains the overview of the research topic and the objectives to be achieved in the research. Furthermore, there is an explanation of previous relevant research and how this research complements or differs from previous research, known as the research gap. The potential benefits of the research theoretically and practically are included in this chapter. At the end, there is a research systematics as the structure of the research conducted.

CHAPTER II : Literature Review

This chapter outlines the theories and concepts relevant to the research topic. This helps the reader understand the theoretical basis of the research. The literature review describes and evaluates prior studies on the subject of the study. Each variable used is defined by using important opinions from previous research. This section builds the theoretical and methodological foundation of the research. Hypothesis development and research framework based on theory and previous research are contained in this chapter.

CHAPTER III: Research Methodology

This chapter provides a clear and detailed description of how the research was conducted which includes the study's scope, sample methods, collecting data methods, data measurement methods, testing instruments methods, and data analysis strategies.

CHAPTER IV: Analysis and Data Processing

This chapter generally contains research results and discussion of data obtained systematically and objectively with the quantitative research tests, analytical instruments, and measurement scale used in the research.

CHAPTER V: Conclusion

This chapter summarizes the key findings of the research presented in Chapter 4 in a concise and straightforward manner that directly answers the research

questions or hypotheses that have been determined. This section contains suggestions regarding areas that need further research or managerial implications that can be used to broaden understanding of the research topic.

