

## THE IMPACT OF INFLUENCER ON THE ONLINE BUYING BEHAVIOR OF GENERATION - Z IN VIET TRI CITY, PHU THO PROVINCE

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### Abstracts

Influencer marketing has become an increasingly popular method of attracting customers because of its convenient features in helping consumers make the most appropriate choices with a wide and diverse source of information about industries and products on the market. Besides, businesses will benefit from reaching a huge fan base and getting a huge file of potential customers when combined with Influencers. Viet Tri City concentrated a large portion of Gen Z: students, and workers from 21 high schools, colleges, universities, and industrial parks living and working. This is the main audience using the social network, regularly approaching Influencers and having high demand for online shopping. The article clarifies the impact of Influencers on the buying behavior of Gen Z in Viet Tri City, thereby proposing some management implications to improve the effectiveness of using Influencer Marketing.

**Keywords:** Influencer marketing; Shopping online; Gen Z; Viet Tri City

### 1. Introduction

Vietnam is a country with outstanding Internet development speed in recent years, leading to an increasing amount of access demand. According to DataReportal data, as of February 2023, there are about 77.93 million Internet users in Vietnam. With the increasingly widespread coverage of the internet, cyberspace is quickly becoming a potential market for today's e-commerce platforms but also creates a highly competitive environment. One of the most important things when implementing an online marketing campaign is the great trust of customers in genuine sharing from Influencers. For that reason, Influencer marketing has become a popular choice and a magnet to attract customers because of its extremely convenient features that help customers make the most suitable choice with a wide source of information. According to Influencer Marketing Hub, the global marketing market will grow to 19% by 2022 and reach 16.4 billion USD. Of these, 90% of businesses believe in the effectiveness of Influencer campaigns and about 77% of companies tend to budget for online Influencer marketing plans... Influencers can build trust and influence quickly on the social network because they have a built-in fan community. Their followers will quickly love or get excited or want to learn about the brands that the Influencers introduce... Therefore, when combined with Influencers, businesses not only benefit from reaching their huge fan base but also reach a huge file of potential customers.

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network, regularly approaching Influencers and having high demand for online shopping. The article clarifies the impact of Influencers on the online buying behavior of Gen Z in Viet Tri City, thereby proposing some management implications for businesses to improve the effectiveness of using Influencer Marketing

## **2. Research methods**

The data collected in this study is primary data using a questionnaire prepared in a Google Form and sent to participants through social media by sharing the link to the questionnaire form. The data collection process was carried out from Nov to Dec 2023. Questionnaires that have been filled out online will be automatically recorded. Then the screening questions will be rechecked to ensure that respondents answer the questions according to the criteria. Questionnaires filled out online by respondents are tabulated automatically by the system, then exported in Microsoft Excel files and processed using SPSS

## **3. Literature reviews**

### **3.1. Concept of Influencers**

Social media influencers are “Influencers are third parties who significantly influence customers' purchasing decisions”(Brown & Hayes, 2008). There are four types of social media influencers: celebrity influencers, niche celebrities, industry experts, bloggers, and content creators. They are experts in their chosen field (Wong, 2017), and therefore, they attract many followers. According to Lou and Yuan (2018), the definition of a social media influencer is “a content creator: a person with professional status in a specific field who has attracted a large number of followers - marketers who are valuable to brands - by regularly producing valuable content through social media”.

With the coverage of social media as well as its integration into people's daily lives, new forms of social media advertising have emerged allowing businesses to transform their strategies and adapt to new trends. As a result, brands have started partnering with social media influencers to promote their products and services. Most Influencers are used as a marketing tool to convey messages to target audiences, convey information, and help influence consumers' purchasing intentions (Burke, 2017). According to Hsu et al. (2013), consumers will trust social media influencers and allow them to influence them if the influencer's views and ideas are relevant to the topic. Furthermore, it is described as the process of using influencers to create stronger relationships with consumers, expand the company's audience, and increase sales (Sudha and Sheena, 2017).

### **3.2. Online Shopping**

That is, consumer purchases are mainly based on the cyberspace appearance such as pictures, images, quality information, and video clips of the product, not on the experience (Lohse and Spiller, 1998; Kolesar and Galbraith, 2000). This shopping process is done by customers with online stores on websites. During the shopping process, the buyer and the salesperson do not have direct contact with each other, all transactions are carried out through the website (Kolesar and Galbraith 2000, Lester et al., 2005). Besides, online shopping is defined as a service where consumers use electronic devices connected to the Internet to make shopping

transactions. According to Turban et al. (2000), as quoted by Sunyoto (2013), online shopping is the process of buying goods, services, and information through information networks, including the Internet. With online stores available at all times, more customers can access the internet anytime and anywhere.

### 3.3. Generation Z

Oxford Dictionaries describes Gen Z as “the generation reaching adulthood in the second decade of the 21st century”. The Merriam-Webster dictionary defines Gen Z as “the generation of people born in the late 1990s and early 2000s”. However, researchers still cannot determine with certainty the beginning and end of Gen Z. After synthesizing information from many sources of many different studies, within the scope of this study, Gen Z can mainly be considered people born between 1995 and 2012 (Bassiouni and Hackley, 2014). Gen Z is the youngest of all generations, helping to introduce brands to potential new consumers and create a large base of loyal consumers. For this reason, brands need to keep up with new technology trends, as this generation and those that follow will become even more tech-savvy, even though these changes may seem like potential barriers for brands at the same time, they should also be seen as opportunities for growth.

## 4. Research results and discussion

### 4.1. Respondents Demographic Data

Statistical results show that 390 respondents have 147 male people (accounting for 37.7%), and 243 female people (accounting for 62.3%); 39 people are under 18 years old (accounting for 10%), 308 people are from 18 to 25 years old (accounting for 79%), and 43 people are over 25 years old (accounting for 11%). Of the total 390 people surveyed, 253 people are students (accounting for 64.9%), 75 people are officer workers (accounting for 19.2%), 55 people are self-employed (accounting for 14.1%) and 7 people have other occupations (accounting for 1.8%). 237 people have an income of less than 5 million (60.8%), 93 people have an income of 5 to 10 million (23.8%), and 60 people have an income of over 10 million (15.4%).

**Table 1: Respondents’ Demographic Profile**

| Variable   | Level                 |     | Percentage |
|------------|-----------------------|-----|------------|
| Gender     | Male                  | 147 | 37.7       |
|            | Female                | 243 | 62.3       |
| Ages       | Under 18 years        | 39  | 10.0       |
|            | From 18 to 25 years   | 308 | 79.0       |
|            | Above 25 years        | 43  | 11.0       |
| Occupation | Student               | 253 | 64.9       |
|            | Officer               | 75  | 19.2       |
|            | Free Labour           | 55  | 14.1       |
|            | Others                | 7   | 1.8        |
| Income     | Under 5 millions      | 237 | 60.8       |
|            | From 5 to 10 millions | 93  | 23.8       |
|            | Above 10 millions     | 60  | 15.4       |

Source: The author collected and analyzed, 2023

#### 4.2. Results of exploratory factor analysis

The group's Cronbach's Alpha coefficients are all  $> 0.6$ , all observed variables have a Correlated Item - Total Correlation coefficient  $> 0.3$ , satisfying the condition and all observed variables can be used for analysis.

**Table 2: Test Cronbach's Alpha with observed variables**

| Criteria                                | N of Items | Cronbach's Alpha | Kaiser-Meyer-Olkin Measure of Sampling Adequacy |
|---|------------|------------------|---|
| Influencers' Expertise                  | 4          | .860             | .805  |
| Influencers' Credibility                | 4          | .887             |   |
| Attractiveness Of Influencers           | 3          | .754             |   |
| Personal Characteristics Of Influencers | 4          | .650             |   |
| Influencers' Popularity                 | 4          | .911             |   |

Source: The author collected and analyzed, 2023

Factor analysis results show that there are 19 observed variables grouped into 5 factors. The variables have factor loadings greater than 0.5, so the observed variables are important in the factors and have practical meaning. KMO coefficient = 0.805  $> 0.5$  so EFA analysis was appropriate for the data. Bartlett's test had a significance level of  $0.000 < 0.05$ , so the observed variables are correlated with each other on an overall scale. The extracted variance is 72.159%, indicating that the 5 factors explain 72.159% of the variation in the research data.

#### 4.3. Respondents' assessment of the influencer's factors affect the online purchasing behavior of Gen Z

The Influencer's expertise factor has an average value of 2.95 - 3.22 points. The observed variable CM1 gets the highest average value among the variables (3.22 points). This confirms that Influencers are experts in the field they introduce, greatly influencing the purchasing decisions of Gen Z in Viet Tri City. The majority of respondents pay little attention to the influencer's experience using products, as this criterion (CM2) only gets the lowest of 2.95 points.

**Table 3: About influencer's professional factors**

| Code | Content  | Mean |
|------|--|------|
| CM1  | Influencers are experts in the field they recommend            | 3.22 |
| CM2  | Influencers have a lot of experience using the product         | 2.95 |
| CM3  | Influencers have knowledge about advertising products          | 2.98 |
| CM4  | Influencers have experience introducing professional products. | 3.06 |
|      | Average  | 3.05 |

Source: Results of data analysis on SPSS, 2023

The average value of the Influencer's credibility factor scale ranges from 3.02 to 3.30. In which the observed variable TC1 "Influencers are people with high professional reputations" has the highest average value (3.30 points). Gen Z consumers in Viet Tri City showed that "Influencers are people with a high professional reputation" and "Influencers are people with prestige and high social status" have a great influence on their purchasing decisions, when respectively getting 3.30 and 3.11 points.

**Table 4: About the influencer's credibility factor**

| Code | Content  | Mean |
|------|--|------|
| TC1  | Influencers are people with a high professional reputation   | 3.30 |
| TC2  | Influencers are people with prestige and high social status  | 3.11 |
| TC3  | Influencers are famous writers and artists   | 3.02 |
| TC4  | Influencers are famous people on online platforms (hot TikToker, hot Facebooker, Beauty Blogger, Vlogger...) | 3.02 |
|      | Average  | 3.11 |

**Source:** Results of data analysis on SPSS, 2023

Analysis results show that the online purchasing decisions of Gen Z in Viet Tri City are influenced by the Attractiveness of Influencers, as they rate these criteria quite high, with an average of 3.28 points. In which, Influencers with fashionable styles and good appearance have the highest average value (3.32 points); Influencers have unique personalities (3.29 points) and Influencers are people with inspirational voices and styles (3.22 points)

**Table 5: Attractiveness of Influencers**

| Mode | Content  | Mean |
|------|--|------|
| HD1  | Influencers have fashionable styles and beautiful appearance | 3.32 |
| HD2  | Influencers have unique personalities                        | 3.29 |
| HD3  | Influencers are people with inspirational voices and styles  | 3.22 |
|      | Average  | 3.28 |

**Source:** Results of data analysis on SPSS, 2023

Generation Z in Viet Tri City believes that their purchasing decisions are greatly influenced by the Personal characteristics of Influencers. They are especially influenced by the similarity with influencers' style when giving CN2 (Influencers have a similar style to you) the highest 3.77 points. Then there is the similarity in appearance (CN1) 3.57 points)

**Table 6: Personal Characteristics of Influencers**

| Code | Content   | Mean |
|------|---|------|
| CN1  | Influencers have similar physical characteristics to you. | 3.57 |
| CN2  | Influencers have a similar style to you.                  | 3.77 |
| CN3  | Influencers have good images and behavior in society      | 3.56 |
| CN4  | Influencers have a similar environment to you.            | 3.43 |
|      | Average   | 3.58 |

**Source:** Results of data analysis on SPSS, 2023

The results show that Gen Z is fascinated by the popularity of influencers, and gave this criterion a high average score with 3.36 points. The majority said that they have a positive attitude towards products introduced by Influencers who are famous writers and artists; who have a large amount of interaction; or people with a lot of followers. The majority said that they have a positive attitude towards products introduced by Influencers who are famous writers and artists; who have a large amount of interaction; or people with a lot of followers.

**Table 7: Popularity Level of Influencers**

| Code | Content   | Mean |
|------|---|------|
| NT1  | You have a positive attitude towards products introduced by Influencers who are famous artists.                         | 3.62 |
| NT2  | You have a positive attitude towards products introduced by Influencers who have high interaction                       | 3.35 |
| NT3  | You have a positive attitude towards products introduced by Influencers who are highly praised by newspapers and online | 3.16 |
| NT4  | You have a positive attitude towards products introduced by Influencers who have many followers                         | 3.31 |
|      | Average   | 3.36 |

**Source:** Results of data analysis on SPSS, 2023

In general, it can be seen that the majority of respondents expressed a positive attitude towards product introduction by influencers and preferred to purchase products through their recommendations. And most of them affirm that they will continue to buy products recommended by influencers.

### 5. Management Implications

Businesses need to invest in attracting Influencers with professional knowledge and many high Followers. They also need appropriate policies to attract more reputable Influencers, and artists... to increase prestige in the eyes of customers, thereby attracting a large number of Gen Z customers, and speeding up the process of purchasing decisions.

Businesses also consider creating support for Influencers to provide guidance and encouragement to achieve higher interaction with customers in terms of content and form. For reputable, highly interactive Influencers, businesses have measures to support them in creating content and form... This will create many quality products, with form and content that will have a stronger impact on consumers in general and Gen Z in particular.

Influencers need to be responsible for the business, as well as the products they promote, selecting reputable products to introduce... to promote relationships and trust among users so that users feel secure to use

Customers also need to have a serious attitude, should not be easy-going, or encourage cases of Influencers despite scandals and controversies to become famous; Simultaneously, ready to respond in situations that threaten the users' rights through forms such as sending emails,

commenting feedback to express opinions,...

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