PARASOCIAL INTERACTIONS FOR ENHANCING PURCHASE DECISIONS: PERSPECTIVES OF SERVICE DOMINANT LOGIC THEORY

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ABSTRACT

The COVID-19 crisis is sweeping the world and affecting our lives, including consumer purchasing habits, preferences, and decisions. The survey, involving 251 respondents from Bali, Indonesia, examined how the pandemic affected Bali's purchasing decisions and consumer preferences. This paper aims to explore the impact of social media on consumer purchasing decisions, more specifically, examining the influence of social media on online shopping during the COVID-19 outbreak rooted in the service dominant logic (SDL) theory. Four hypotheses were developed and tested in the framework of a sample of 251 respondents from the Bali province. The proposed hypothesis was tested using AMOS 23 to perform structural equation modeling. The findings of this study suggest the critical role of social media interactivity in the two folds. First, parasocial interactions proved to be mediators of social media interactivity in improving purchasing decisions. Second, parasocial interaction has the potential to influence the decision-making of product purchasing preferences.

Keywords: Social Media interactivity, Celebrity Influencers, Parasocial Interactions, Purchasing Decisions

FOREWORD

The COVID-19 pandemic has had a profound effect on people and their daily lives in a variety of ways. Several restrictions imposed by the government and authorities have affected public health and social, and economic well-being. Mobility restrictions and lockouts have confined people to their homes and allowed minimal contact with others. These people communicate with their family and friends through the internet, often via social media. Social media channels have become a rich source of information and have played a big role in the dissemination of information as well. People have also used social media as a tool for business transaction activity and online shopping. During the epidemic, online shopping has seen a significant increase in popularity. Many consumers preferred to shop online to avoid the difficulty of going to the store.

Surveys across the European Union showed that social media use has increased rapidly over the past few years, especially during the COVID-19 epidemic. The amount of internet shopping has also increased during the epidemic, by 2020, 72% of customers were shopping online. The number of daily users grew, while the percentage of non-users dropped, during the epidemic. Promotional activities on social media platforms became increasingly
popular among businesses looking to increase their visibility and revenue. One of the more common business promotion activities carried out was the use of influencer marketing. Promotions using influencers as a new marketing strategy have emerged due to a better understanding of how customers relate and engage with media and celebrities via social media. Content marketing budgets have increased during the COVID-19 epidemic across brands worldwide. This could be because people are spending more time online and becoming more familiar with influencer marketing.

Promotion using influencers provides a unique insight into how customers connect with media content and the people behind it. Commenting on social media material from a company or celebrity simultaneously allows customers to engage in ‘symbolic’ interactions with characters, leading to ‘parasocial’ relationships over time and multiple content displays. The use of celebrities and other well-known figures for endorsement are marketing approaches widely used in many businesses. Studies have shown that they have a beneficial impact on a variety of metrics, including brand recognition, brand attitude, and purchase intentions.

Social media has created new possibilities for interaction between buyers and sellers as a marketing tool. As a result, consumers now see advertising that relies on parasocial interaction between consumers and influences social media to be successful. When an influencer engages in parasocial interaction with their followers, their content, appeal, and credibility are all enhanced. The concept of interaction and parasocial relationships, first explored by, was adopted by communication studies around the mid-1980s for the study of media personas in film, television, radio, music, print, new media, and media with a variety of perspectives and research purposes. Researchers see social media interactivity through influencers as a rich empirical data source for the study of symbolic interactions between media personalities and each other. Celebrity influencers have the benefit of being able to analyze viewers' synchronous interactions as they watch and comment on their material on social media platforms.

According to the way of structured communication, interpersonal interaction and word-of-mouth communication have a greater impact on consumer behavior than mass media. Parasocial interaction is a term coined to describe the imaginary relationship between media characters and their fans. Whether the character comes from a book, television show, or social media platform, these interactions all have one thing in common: the target rarely sees audience members as personal connections. Because the targets are fictional characters or have no awareness or familiarity of whole engaged in parasocial engagement, there is little or no return of communication or sentiment. Some experts attribute Donald Trump's victory to parasocial interactions with reality-TV stars. Claim the appeal of celebrity influencers is related to viewers' parasocial-affective responses to their interactions with media characters and their reflections on their lives and habits. Learning about celebrity influencer interactions is usually accomplished by analyzing how customers talk about their product preferences and their reference to the celebrity influencers in those conversations. According to, the effectiveness of endorsements is not directly related to celebrity status until endorsers develop personal ties with the target audience.
Described how parasocial interactions on social media marketing have developed a perception of risk, which has resulted in customers making purchasing decisions that allow them to stay at home for longer periods. They emphasize that the wave of social withdrawal, stay-at-home behavior, social media interactions, and government messages increases anxiety and uncertainty and therefore influences purchasing decisions. Consumer purchasing decisions require a basis of reference, justification, and trust, so consumers in their purchasing activities tend to look for references from figures they trust. In a pandemic situation, information related to online shopping greatly affects purchasing outcomes because consumers want to convince themselves that their decisions are correct, highlighting the importance of further research into this phenomenon, which is the focus of this study.

The findings indicate the influence of social media interactivity leverages parasocial interactions which enhance and improve consumer purchasing decisions. Using social media interactivity as a marketing tool forms people's collective responses to recommend, express positive opinions, forward messages, and follow each promotion. It also forms the interactions and beliefs of members. The conceptual model was empirically tested among the general public in the province of Bali, Indonesia. The purpose of the study was to explore customers' parasocial interactions with social media influencers as they watched social media content or vlogs and to evaluate possible links to consumer purchasing decisions.

LITERATURE REVIEW

Parasocial Interaction in a Service-Dominant Logic Perspective (SDL)

Parasocial interaction is the interactive communication that is used as both an online and offline business strategy in marketing activities. According to preliminary studies, many factors, such as the quality of interaction and the productivity of relationships such as relationships with brands and objects, are considered parasocial interaction attributes, which strengthen relationships and improve customer engagement. According to, relational resources should enable business owners to meet customer needs more effectively than their competitors. As companies move to digital technologies, they become more efficient and effective at gaining comparative advantage.

Parasocial interactions are postulated as central to potential value-added relationships to empower quality relationship processes that are expected to improve purchasing decisions. They can provide a strategic advantage in marketing communication when this relationship hub provides proper bonding connections and interactivity that improve the relationship. Parasocial interaction should be mirrored by interaction, trust, and comparison of open, ions, and 'likes' of members, to efficiently and successfully achieve an effective relationship. The quality of interactivity and communication creates power as the exchanges between the collaborating members tend to build value-oriented interactions or value-added developmental interactions among networks through information sharing. Regarding the core philosophy of SDL, interaction on communication as marketing tools used for customer relationships that helps companies to gain more awareness from their customers to gain loyalty and intention, as a high-impact of parasocial interaction and strengthen relationships to improve customer purchasing decisions. state that parasocial interactions triggered by social media interactivity have the potential to improve the quality of relationships. Therefore, parasocial interaction
facilitated by social media can increase a company’s capacity to create high-impact processes that lead to customer purchasing decisions.

**Social Media Interactivity and Purchasing Decisions**

The COVID-19 pandemic has had a beneficial impact on influencer marketing. A 75% customer engagement by influencer marketing advertising content was documented during the pandemic, along with increased social media traffic, online purchases, and corporate visibility. For people under 35, Instagram and Facebook usage increased, especially for those interested in themes like meditation, cooking, and fitness.

Customer engagement in an influencer’s life can foster a sense of closeness, deep bonding, and an illusory impact of a real relationship. Perceived closeness is a defining characteristic of the interaction between followers and influencers. It is based on attachment theory, which seeks to explain interpersonal connections and extends to online interaction through an influencer’s sense of connectedness and intimacy.

In addition, followers perceive the influencers with whom they communicate on social media as similar to themselves and choose them based on their high level of compatibility in their points of view. These perceived similarities include demographic characteristics as well as shared interests and beliefs, and they can increase trust in their influencers and advisors, as well as their level of identification with them. As a result, experimental research shows that influencers are also seen as more trustworthy than traditional celebrities. This is due to the influencer’s credibility, skill, experience, legitimacy, and honesty. As a result, promoted materials from these influencers are very successful when they are viewed as useful and include product information.

According to, influencer credibility, attractiveness, expertise, trust, popularity, and prestige have the greatest impact on consumer behaviour, attitudes strengthening brand preferences and purchasing behaviour. Similarly, define influencer quality as expertise, trust, likeness, and familiarity, all of which contribute to influencer persuasiveness and promote consumer brand attitudes (Febrian & Fadly, 2021). An Indonesian consumer study explored the prevalence of influence on purchasing tendencies. The study findings showed that most of the customers asked said they considered influencers’ opinions when making purchasing decisions. In this context, the COVID-19 epidemic has resulted in consumers’ increased online time and, due to exposure to influencer marketing information, this parasocial relationship could influence customer purchase decision. Therefore, we propose the following hypothesis:

**Hypothesis 1 (H1):** Social media marketing has a positive impact on purchasing decisions.

**Social Media Interactivity and Parasocial Interaction**

Studied the relationship between attraction and social, physical, and parasocial interactions. Interest in technology, classified into three categories (task, social, and physical attraction), was once considered the first step in developing relationships. Social media marketing blends social contact and e-commerce, enabling it to facilitate successful commercial transactions and provide a component that allows individuals to establish relationships with each other. The awareness of utilizing social media as interactive media falls into three elements: the desire to provide good feedback, promotional behavior, and product recommendations. We believed that when these three variables are interesting in social media marketing campaigns, they will increase users parasocial interaction and further motivate them to engage in social trading activities. Social attraction is an important element
Each social media interaction includes a variety of characteristics that contribute to the socialization of the platform, such as content, style, tags, lists, and user profiles. In addition, social media marketing lets users find expert users, celebrities, and the most popular users, allowing them to communicate more efficiently with others. Suppose the user can improve their sociability with the help of the system. In this case, it can help them establish their identity and develop close relationships (e.g., parasocial interactions) with others through online communities. As a result, we concluded that social media marketing is a platform that allows users to engage with each other (for example, by commenting, ‘liking,’ and passing on material created by others) and build deep friendships. As a result, we purpose the following hypotheses:

**Hypothesis 2 (H2):** Social media marketing has a positive influence on parasocial interaction.

The components of visual design and visual features that offer a feeling of beauty or a pleasant look to a website are known as physical attractions. Research has shown that a well-designed social networking site can significantly meet the needs of users to be social. To find interesting and fun people and engage with them, users need a well-designed website, and this is a prerequisite for them to comment, ‘like,’ follow, and forward other people’s information.

The experience of parasocial interaction is defined very similarly to interpersonal relationships, to the point where individuals feel as if they fully understand the persona in the same intimate way they know and understand friends well, and that voluntary nature and the capacity to provide friendship can help foster this strong bond. Therefore, the results of parasocial interactions should be comparable to ‘genuine’ interpersonal partnerships. Research on the impact of parasocial contact supports this view. In addition, previous research has shown the importance of openness and responsiveness in communication and creating online connections between buyers and sellers.

In some instances, parasocial interactions have increased engagement. Those involved in parasocial interactions actively seek to assert their relationship with mediated personas through behaviours such as increased appearance and purchase of inherent programs. In addition, messages in interactions can build increased trust and persuasive messages. Parasocial contact has the potential to influence attitudes and actions by increasing perceived credibility, which is likely due to the active and engaged nature of high-level parasocial interaction exchange. Since parasocial contact increases perceived closeness, increases ‘liking’, and reduces feelings of insecurity, viewers tend to trust mediated characters. This can reduce ambiguity and increase collaboration, increasing the likelihood that individuals will respond with personal disclosure and strengthened loyalty intentions leading to purchasing decisions that reflect this. Parasocial interaction in social media interactivity in communication plays an important role in exchanging and sharing information among social media users. Many consumers rely on luxury experiences shared by the celebrity influencer or public figure that they follow or other users through social media across multiple platforms, enhancing brand evaluation, purchase intention, and purchase decision. Therefore, the proposed hypothesis are:

**Hypothesis 3 (H3):** Parasocial interactions positively influence purchasing decisions.

**Hypothesis 4 (H4):** Parasocial interaction mediates influence on social media interactivity to purchase decisions.
METHOD

Collection of Samples and Data
Respondents from Bali, Indonesia, provided the data. Three hundred respondents participated in the study based on the comfort sampling process, and respondents were willing to participate by sharing personal experiences. Respondents completed offline and online questionnaires. Ultimately, only 251 respondents provided enough information for further analysis.

Variable Measurement
The creation of the measurement instruments involved adopting several studies. The first was to build social media marketing based on the adaptation of. It consisted of following each product promotion, continuing product promotion, talking positively about the product and recommending the product to others. The second was the construction of parasocial interaction adaptation studies of, which consisted of trusting information, comparing opinions, interacting with other members and websites showing such members. The third, adapted from, consisted of feeling good, satisfaction, intent to repurchase and frequency of purchase.

Data Analysis
Measurement of Validity and Reliability
We chose the structural equation modelling (SEM) technique with AMOS software version 23 to examine hypotheses for several reasons. First, SEM more effectively solved some equations compared to conventional regression analyses, such as the SPSS modeler standard package consisting of interdependent and independent variables. Second, the simultaneous process of SEM had the ability to measure the effects of mediation. Finally, the analysis process could measure validity and reliability, as shown in Table 1.

Table 1: Measurement of validity and reliability

<table>
<thead>
<tr>
<th>VARIABLES AND INDICATORS</th>
<th>REFERENCE</th>
<th>STD. LOADING (Lambda Value)</th>
<th>Critical Ratio ≥1.96</th>
<th>CV-AVE ≥0.50</th>
<th>CRI ≥0.70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Interaction</td>
<td>(Iriani et al., 2021)</td>
<td>0.601</td>
<td>9.403</td>
<td>0.517</td>
<td>0.808</td>
</tr>
<tr>
<td>Follow every product promotion</td>
<td></td>
<td>0.865</td>
<td>9.403</td>
<td>0.711</td>
<td>8.608</td>
</tr>
<tr>
<td>Continue product promotion</td>
<td></td>
<td>0.672</td>
<td>8.287</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talk positively about the product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommend the product to others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parasocial Interaction (PRI)</td>
<td>(Zheng., 2020)</td>
<td>0.698</td>
<td>11.27</td>
<td>0.624</td>
<td>0.809</td>
</tr>
<tr>
<td>Trust information</td>
<td></td>
<td>0.926</td>
<td>11.27</td>
<td>0.685</td>
<td>9.602</td>
</tr>
<tr>
<td>Compare opinions</td>
<td></td>
<td>0.615</td>
<td>9.853</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interact with other members</td>
<td>(Zheng., 2020)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member ‘likes’ shown on website</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Decision</td>
<td>Feel good</td>
<td>0.697</td>
<td>10.99</td>
<td>0.670</td>
<td>0.841</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>(Zheng., 2020)</td>
<td>0.845</td>
<td>10.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intent to repurchase</td>
<td></td>
<td>0.735</td>
<td>13.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequent buying</td>
<td></td>
<td>0.735</td>
<td>11.663</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CV = Convergent Validity
CRI = Building a Reliability Index

Confirmation factor analysis led to acceptable loading factors for each model variable, with construct validity measured using an average extracted variance (AVE) of at least ≥ 0.50. Based on the critical ratio of ≥ 1.96, all loading factors exceeded the estimated minimum parameter ≥ 0.50. Measurement of instrument validity with convergence-AVE validity led in
good validity for each construction, such as social media interactivity (0.517), parasocial interaction (0.524), and purchasing decisions (0.570). Construct Reliability Index (CRI) is used to measure the reliability of social media interactivity (0.808), parasocial interaction (0.809), and purchasing decisions (0.841). All indices are above the cut-off values for validity ($\geq 0.50$) and reliability ($\geq 0.70$) (Arbuckle, 2016; Tabachnick & Fidell, 2012).

A full SEM analysis measured the goodness of the fit model and tested the hypothesis. Figure 1 and Table 2 show the results. Good GFI (0.927), CFI (0.945), TLI (0.929), and RMSEAA (0.073) support the proposed model. Meanwhile, a critical ratio of $\geq 1.96$ and a significant level of 0.000 supports the proposed research hypothesis.

Figure 1: Structural Equation Model Testing

Table 2: Hypothesis Testing Criteria

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Estimated Estimates</th>
<th>Std. error</th>
<th>Critical Ratio</th>
<th>P</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMM à PRI</td>
<td>0.473</td>
<td>0.283</td>
<td>0.112</td>
<td>3.910</td>
<td>**** Supported</td>
</tr>
<tr>
<td>SMM à PDC</td>
<td>0.674</td>
<td>0.547</td>
<td>0.107</td>
<td>6.282</td>
<td>**** Supported</td>
</tr>
<tr>
<td>PRI à PDC</td>
<td>0.125</td>
<td>0.151</td>
<td>0.055</td>
<td>2.285</td>
<td>0.022 Supported</td>
</tr>
</tbody>
</table>

Goodness of fit Test

<table>
<thead>
<tr>
<th>Goodness of fit Test</th>
<th>Cut-off Value</th>
<th>Result</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square for DF = 51 at a significance level of 5%</td>
<td>118,145</td>
<td>68.67</td>
<td>appropriate</td>
</tr>
<tr>
<td>Meaning</td>
<td>$\geq 0.05$</td>
<td>0.000</td>
<td>not suitable</td>
</tr>
<tr>
<td>The Goodness of the Fit Index</td>
<td>$\geq 0.90$</td>
<td>0.927</td>
<td>appropriate</td>
</tr>
<tr>
<td>Adjusted Fit Kindness Index</td>
<td>$\geq 0.90$</td>
<td>0.889</td>
<td>Marginal</td>
</tr>
<tr>
<td>Comparative Conformity Index</td>
<td>$\geq 0.90$</td>
<td>0.945</td>
<td>appropriate</td>
</tr>
<tr>
<td>Tucker Lewis Index</td>
<td>$\geq 0.90$</td>
<td>0.929</td>
<td>appropriate</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.03 – 0.073</td>
<td>0.08</td>
<td>appropriate</td>
</tr>
</tbody>
</table>

Total Effect Size

| SMM à PDC | 0.591 |
| PRI à PDC | 0.151 |
| SMM à PRI | 0.293 |
Mediation Effects

We performed another procedure to evaluate the proposed mediation hypothesis with parasocial interactivity that was able to affect social media interactivity on purchase decisions. This process used the Sobel test method. Path analysis and the Sobel test determined whether the mediating variable discussed in this research was statistically significant or not. The results of the calculation through the online calculator Sobel at https://www.danielsoper.com/statcalc/calculator showed that the Sobel test result was used to obtain the Z value and estimated p-values as determinants of whether an important indirect effect existed. The mediator Z value is 2.001, so were greater than 1.96, which showed a significant mediation impact between the independent and the dependent variable.

DISCUSSION

The study aimed to build a conceptual model for managing social media interactivity that uses celebrity influencers to improve customer purchasing decisions by synthesizing parasocial interactions and providing some conclusions in managing these technologies to improve purchasing decisions. For example, it reinforced the SDL's perspective that interaction through digital technology is a relational resource for generating customer information as a strategic asset and a driver for purchasing decisions. In addition, this marketing strategically used celebrity influencers through social media drivers to effectively strengthen parasocial bonds, closeness and bonding to take advantage of purchasing decisions.

The logic behind this path is that using social media influencers is the first step to increasing parasocial interactivity and a strategy to promote customer awareness and intention to trigger purchasing decisions through empowering social media influencers as discussed in the core concept of SDL theory. In addition, it is a marketing instrument for communicating, collecting, and circulating customer and competitor information throughout the organization. It is part of a relationship, an investment to build, maintain, and develop awareness and intention to create more closeness within the company or organization to improve purchase decisions. Social media interactivity using influencers is informative strategic input which can improve relationships through several abilities and ways of practice, such as interaction, trust information, sharing and comparing opinions, members such as that would enhance purchase intention. In today's dynamic business environment, using social media influencers and aligning them with marketing strategies and priorities has proven to be a necessity.

The increase in interactivity capabilities during the COVID-19 pandemic empowered social media technology because the higher the level of interactivity, attractiveness and exposure, the greater the influence. This study provides positive confirmation by demonstrating the importance of social media influencer interactivity to strengthen and maintain parasocial interactivity. Additionally, celebrity influencers that combine with social media technology can become a marketing strategy tool to enhance parasocial interaction strategically and quickly increase customer awareness, intentions, and loyalty. This process is in line with SDL theory by, which is a recognized strategic path for building, strengthening, and maintaining relationships by empowering customer interaction and communication.

This research is in line with, which empowered social media influencers during the COVID-19 pandemic using active interaction and business communication to build, strengthen, and maintain relationships. This means that the ability of the business to interact and communicate with customers will help them understand customer needs, market trends, and the changing business environment.
MANAGERIAL IMPLICATIONS

The acceptance of the hypothesis reveals several managerial implications, especially for businesses struggling during the COVID-19 pandemic to gain awareness from their customers in a competitive market. Developing a specific marketing strategy in interaction and communication is more effective if it is based on the right technology and capable of empowering the use of social media influencer interactivity. It is important to ensure the interaction of social media influencers, especially in communicating and sharing to build, strengthen, and maintain relationships with customers. In addition, companies need to interact and communicate with customers by empowering the interactivity of social media influencers as a marketing strategy and supporting relationship durability.

LIMITATIONS AND FUTURE RESEARCH

There are some limitations associated with this study. First, the responses in this survey only came from the people of Bali. Therefore, future studies would need to replicate the research framework, in which models independently examine more types of respondents to determine the likelihood of generalizing these conceptual models. Second, the power of parasocial interaction capabilities using social media influencers suggests that parasocial interaction directly influences customer purchasing decisions.

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Age Media." Human Arenas 4, no. 3: 413-29.


