Impact of live stream marketing on Saudi online consumers trust

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C H R O N I C L E	A B S T R A C T
	The aim of this study is to identify the impact of live stream marketing on consumer trust. Data was collected using a questionnaire developed based on prior works and administered electronically to consumers who use live stream marketing before making their purchasing decisions in Saudi Arabia. A total of 350 responses were used for data analysis purposes, which was carried out via SmartPLS 4.0 software. The findings of the study demonstrate a significant and positive impact of live stream marketing as conceptualized in terms of five dimensions (information, attractiveness, entertainment, expert, and social interaction) on consumer trust. In accordance with the research's findings, researchers advise live stream marketers to learn everything they can about the things they are selling because doing so will enable customers to make well-informed choices.

1. Introduction

Consumer trust as a major topic in marketing literature has been regarded as a key factor in understanding how and why consumers make their purchasing decisions (Verma et al., 2023). Essentially, trust of online consumers results in numerous benefits for organizations including predicting consumers' behavior, lowering transaction costs, optimizing their marketing strategies, and hence lifting marketing success. Marketing professionals face a big challenge when trying to persuade people to buy their products. For advertising efforts to be successful, it is essential to fully understand how consumers feel, think, and choose amongst options (Farah et al., 2022; Men & Zheng, 2019). Additionally, it's critical to recognize the importance of external factors like culture, family, and media in affecting consumer trust (Hoek et al., 2021). As customers make purchasing decisions daily, organizations should be aware of the factors that drive such decisions in order to know how trust relationships are initiated and developed (Wu & Huang, 2023).

It was acknowledged that understanding how consumer trust is built helps business organizations in targeting consumers, improving products, as well as recognizing how consumers perceive marketing offers (Nasiri & Shokouhyar, 2021). Hence, business organizations can provide customers with an added value, gain a competitive edge, and boost their profits.

In fact, organizations are proficient to build trusty relationships with their consumers if they are capable to meet their wants and expectations, particularly as a consumer makes several decisions before purchasing a specific brand followed by reviewing his or her product experience (Bauerová & Bracinková, 2021; Song & Liu, 2021).

Due to the rapid advancement of technology and the extensive usage of the internet, live stream marketing has emerged as a viable tool for business organizations to interact with their audience and influence their purchasing decisions in real-time (Tran, 2020). Live stream marketing brings a new level of interactivity, immediacy, and social involvement to the decision-

making process for customers. This makes it possible for business organizations to efficiently customize their marketing efforts to the needs and tastes of their consumers (Xue & Liu, 2023).

In the modern digital marketing era, business organizations are required to adopt new digital marketing tools such as live streaming marketing. Such a strategy assists organizations in Saudi Arabia to effectively gain a deeper understanding of the elements that influence consumers' trust, improving consumer engagement, lifting sales, and enhancing their overall performance. As the effect of live streaming on trust in Saudi Arabia is yet largely unstudied (Majali et al., 2022), the current study fulfils a considerable research gap in this regard. It aims at exploring the effect of live stream marketing on consumer trust in Saudi Arabia context. In effect, this study provides crucial insights on how Saudi online consumers trust organizations and their brands and deliver tips for organizations to modify their marketing plans in order to expand their markets. It contributes to the body of knowledge on the effect of live streaming marketing Saudi customers' trust.

2. Literature review and hypotheses Building

2.1 Consumer trust

Scholars of marketing have never been able to ignore the importance of trust as a key factor in consumer traditional purchasing process and the same can be said in the electronic commerce domain. According to Mcknight et al. (2002), the concept of electronic commerce trust entails a great sense towards the qualities that an organization possesses to positively influence its consumers.

Trust is a pivotal factor that organizations must think about when building relationships with their consumers due to several outcomes such as initiating a welcoming environment for business dealings, retaining consumers as a results of meeting their demands, and ensuring consumer effective participation in their market share, improving consumer loyalty and therefore gaining profitable revenues, as well as ensuring survival in a competitive marketplace (Lu et al., 2018).

Consumer trust covers numerous entities like business organizations, sellers, salespersons, products, and marketing channels (Komiak & Benbasat, 2004). Trust in live stream marketing or in other words trust in streamer is related to three key criteria, which are streamer dependability of, streamer level of service, and streamer recommendations. On the other hand, trust in a product refers to a product living up to expectations, product functionality, and product after-sales services. Hence, recent works in marketing literature make a distinction between trust in the streamer and trust in the product.

2.2 Live stream marketing

Live stream marketing, which uses platforms for real-time video streaming to engage people and promote products, is a relatively new idea in digital marketing. This marketing strategy has gained popularity because live streaming enables more individualized and genuine connections by creating a sense of proximity and connection between organizations and their target audience (Xue & Liu, 2023). The significance of live stream marketing rests in its ability to have a considerable influence on consumer purchasing decisions. Business organizations have the exceptional chance to reply to customer enquiries, showcase their goods and services in real time, and provide special offers and promotions through live streaming (Wang et al., 2022). This intriguing strategy could boost customer trust, brand recognition, and eventually sales conversion rates (Lin, Fong, and Law, 2022). Numerous aspects of live stream marketing have been discussed in the literature; for instance, customers' tendency to engage in transactions through those channels may be significantly impacted by live-stream marketing platforms (Yan et al., 2022). Additional considerations include the quality of the information offered, the presenter's appeal and expertise, the entertainment value, social interaction, and the viewer's sense of telepresence. These factors contribute to the overall effectiveness of live stream marketing and its impact on consumer trust (Joo & Yang, 2023).

2.3 Live stream marketing and online consumer trust

Consumer trust may be influenced by information, attractiveness, competency, entertainment, social connection, and expertise, among other factors. To maximize live stream marketing, companies and marketers must give priority to making their platforms more appealing. By establishing reputable live streaming channels, businesses may increase customer contact and foster consumer trust. Additionally, precise product information provided during live stream is essential for assisting clients in making informed purchasing decisions. Giving clients information in a straightforward and understandable way makes it easier for them to comprehend the benefits and features of the product, which boosts customer satisfaction and enhances the likelihood that they will make a purchase. The presentation aspect may have an impact on how viewers perceive live streams. Employing presenters for live streams who are engaging, appealing, and knowledgeable may help businesses influence consumers' perceptions in a positive way. Presenters with expertise and experience in the product can positively affect consumer trust by clearly communicating a product's value proposition. Live stream marketing strategies with entertaining components produce enduring and pleasurable client experiences. These components can aid companies in fostering brand loyalty and repeat business. During a live stream, encouraging social engagement can foster a sense of community and belonging, positively affecting the customers' trust. Businesses can build an interactive atmosphere that boosts consumer engagement by encouraging in-the-moment dialogues between viewers and presenters. Forming a stronger bond with viewers during a live stream, it's also crucial to convey a sensation of telepresence or involvement. Businesses can successfully engage their target

audience by offering interesting live streaming experiences. This increases the chance that a sale will be made and fosters enduring relationships with customers.
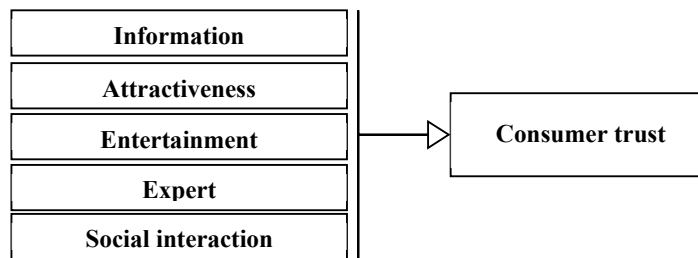
Due to information overload and the presence of false comments, consumers frequently fail to read and screen helpful content (Cao et al., 2021; Fang et al., 2016; Liu et al., 2020). Direct conversation and contact with others can boost trust in the live-streamed shopping scenario. To increase their level of trust in other customers' actions, consumers communicate with one another to get information.

The online community will come to life through live streaming. The live streamer's personality makes it possible for viewers to form an emotional connection with them, and this positive emotion causes viewers to have a favorable opinion of the things that he or she recommends (Chen et al., 2020; Cheng, 2020; Hsu, 2019). Customers frequently believe the live streamer's recommendations for goods and services are appropriate and affordable because of their long-term relationships and build-up of trustworthiness. Consumers are more likely to choose poorly and even abandon transactions because they are unable to comprehend all the information about goods and businesses. Thus, the following hypothesis was presumed:

H₂: *There is an impact of live stream marketing on consumer trust in Saudi Arabia.*

3. Research Theoretical Framework

The theoretical framework of this study as portrayed in Fig. 1 presents a presumed influential relationship between live stream marketing and consumer trust.

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┌─────────────────────────┐
│       Information        │
├─────────────────────────┤
│      Attractiveness      │          ┌──────────────────┐
├─────────────────────────┤          │                  │
│       Entertainment      │ ───────▷ │  Consumer trust  │
├─────────────────────────┤          │                  │
│         Expert           │          └──────────────────┘
├─────────────────────────┤
│    Social interaction    │
└─────────────────────────┘
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Fig.1. Theoretical Model

4. Methodology

The sample of the current study encompasses 350 online Saudi consumers. They were asked to fill in an electronic questionnaire in which items on both live stream marketing and consumer trust were included. The questionnaire, which was developed based on previous studies, was administered to a sample of Saudi consumers who use digital marketing channels, notably live streaming, to carry out their online purchases. In order to ensure that a consumer uses live stream marketing, a question "do you use live streaming for making your purchasing" was placed at the beginning of the questionnaire. If the response was "yes", the questionnaire is included in data analysis, otherwise, it is excluded. The questionnaire was designed using Likert five-point scale ranging from 1 "strongly disagree" to 5 "strongly agree". Prior to collecting data, the questionnaire was tested to ensure its validity and reliability. Live stream marketing as an exogenous variable was measured in terms of five dimensions (information, attractiveness, entertainment, expertise, and social interaction), on the other hand, consumer trust was measured using two dimensions "stream trust and product trust". Data analysis was carried out using Smart PLS 4.0 software.

5. Descriptive statistics

The results in Table 1 show that the arithmetic means of the respondents' estimates of the independent variables (livestream dimensions) ranged between (3.67 - 3.95) with a total average of 3.79, and their estimates of trust dimensions were 3.85 (stream trust) and 3.86 (product trust).
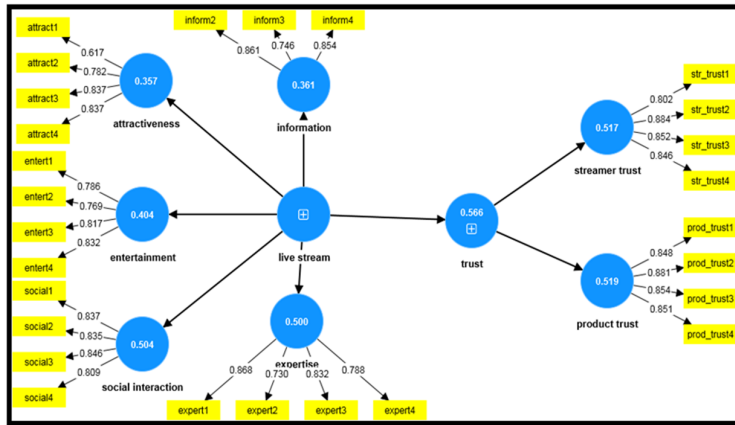
Table 1
Research descriptive statistics

Factors	Mean	Std. Deviation	Relative importance
Livestream	**3.79**	**0.594**	**75.8%**
Inform	3.81	0.624	76.2%
Attract	3.67	0.68∘	73.4%
Entert	3.95	0.658	79.0%
Socialinterac	3.85	0.689	77.0%
Expertise	3.67	0.769	73.4%
Trust	**3.86**	**0.717**	**77.2%**
Stream trust	3.85	0.736	77.0%
Product trust	3.86	0.76ε	77.2%

6. Assessment of the measurement model

The results in Table 2 and Fig. 2 indicate that both validity and reliability were assured. Validity was tested using factor loadings and the average variance extracted (AVE) with a threshold value of 0.5. Reliability was assessed using Cronbach's alpha coefficients (CA) and composite reliability (CR) with threshold value of 0.70. It can be noted that the factor loadings and AVE values of all variables were higher than 0.50, and the values of CA as well as CR were higher than 0.70. Moreover, the table shows that there is no collinearity issue in the current data as measured by variance inflation factor (VIF) (Hair et al., 2014). In terms of discriminant validity, it was evaluated by Fornell-Larcker criterion.

Table 2
Results for measurement model

Latent variable	Indicators	Loadings	VIF	CA	CR	AVE
Information	Info 2	0.861	1.764	0.760	0.778	0.676
	Info 3	0.746	1.387			
	Info 4	0.854	1.638			
Attractiveness	Attract1	0.617	1.268	0.772	0.793	0.598
	Attract2	0.782	1.671			
	Attract3	0.837	1.913			
	Attract4	0.837	1.896			
Entertainment	Enter 1	0.786	1.855	0.814	0.819	0.642
	Enter 2	0.769	2.194			
	Enter 3	0.817	1.822			
	Enter 4	0.832	2.129			
Expert	Expert 1	0.868	2.077	0.821	0.838	0.650
	Expert 2	0.730	2.151			
	Expert 3	0.832	2.430			
	Expert 4	0.788	1.737			
Social interaction	Social 1	0.837	1.977	0.851	0.852	0.692
	Social 2	0.835	1.961			
	Social 3	0.846	2.125			
	Social 4	0.809	2.349			
Stream Trust	STrust 1	0.802	1.925	0.875	0.787	0.717
	STrust 2	0.884	2.552			
	STrust 3	0.852	2.377			
	STrust 4	0.846	2.088			
Product trust	PTrust 1	0.710	2.065	0.881	0.884	0.737
	PTrust 2	0.802	2.598			
	PTrust 3	0.772	2.562			
	PTrust 4	0.814	2.236			

Fig. 2. Path loadings for the model

For all values, the discriminant validity and the Fornell-Larcker criterion were less than 0.80. As a result, the model's outputs were validated and deemed appropriate (Hair et al., 2017).

Table 3
Fornell-Larcker criterion for the model

Variables	(1)	(2)	(3)	(4)	(4)
(1) attractiveness	0.774				
(2) entertainment	0.773	0.801			
(3) expertise	0.606	0.709	0.806		
(4) information	0.616	0.661	0.603	0.822	
(5) social interaction	0.676	0.760	0.807	0.676	0.832

7. Assessment of the structural model

Livestream and trust data were analyzed in this research model. 5000 sample typical bootstrapping with Smart PLS4 methods. To assess the direct relationship between livestream and trust. As shown in Figure 3, the value of R^2 for the livestream latent variable on trust was (0.566), which exceeds 25% and is regarded as an acceptable prediction standard by Gaur and Gaur (2006).
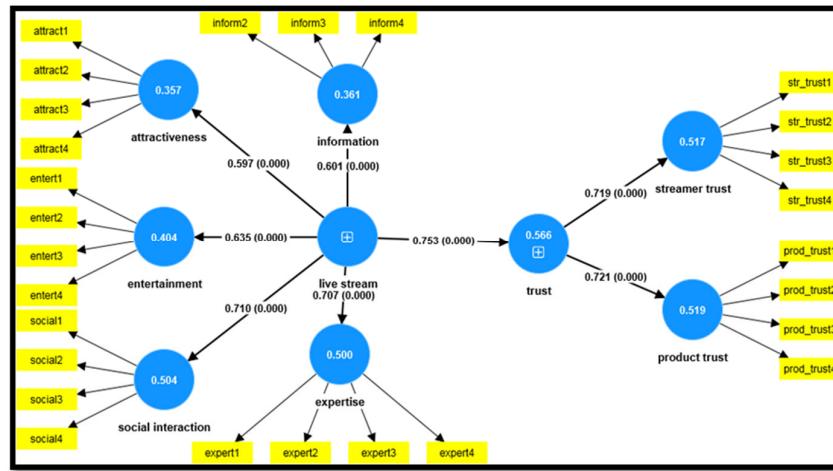

Fig. 3. Bootstrapping for the proposed model (sig values, beta and R^2)

The results in Table 4 show that live stream has a significant and positive impact on trust (β = 0.753, t = 26.15, P = 0.000).

Table 4
Results of hypotheses testing

Hypotheses	Relations	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decision
H01	Live stream → Trust	0.753	0.754	0.029	26.194	0.000	Accepted
H01.1	Trust → Product trust	0.721	0.722	0.030	23.881	0.000	Accepted
H01.2	Trust → Streamer trust	0.719	0.720	0.031	22.981	0.000	Accepted

8. Discussion

The findings of this study demonstrated the critical impact that the live stream feature, including its sub-variables (information, attractiveness, entertainment, expertise, and social interaction) had on fostering consumer trust among electronic consumers in Saudi Arabia.

Regarding the marketer's experience, the respondents believed that most of the marketers in the live stream had knowledge of the products they were selling because they gave consumers the information they needed to make informed decisions. They also believed that the approach that the marketers used in the live stream demonstrated their expertise and qualifications in online marketing, which typically increased levels of trust in the live stream. Because streamers will invariably be more adept at presenting the benefits, usage instructions, and product defects, as the marketer who is more experienced in products and sales strategies, has the capacity to build trust with consumers. Consumers who participated in the study's sample said that they enjoy using the live stream feature to make purchases. They also said that their interest in watching the broadcast was not just for making a purchase; they might also do it for the entertainment value and the chance to interact with the marketer and other consumers. The chance to speak with other customers and hear their opinions on the goods being offered frequently boosts trust. The results indicated that the quality of the information and its recentness during the live stream gives a kind of comfort and safety to the electronic consumer when entering the live stream, which makes him always ready to rely on that information to make a purchase decision without the need to search for accurate information elsewhere. According to the findings of this study, since the display process is electronic and the reliability and accuracy of the application used in the live stream have a crucial impact on the levels of electronic consumer trust, the marketer can foster consumers' trust by offering flexible solutions when the offered products do not meet the customer's expectations.

Due to the real-time involvement, visualization, and personalized services it encourages, live streaming commerce today sets itself apart from traditional e-commerce (Xue, & Liu, 2023; Yan, Chen, Shao, & Lei, 2023). Customers can obtain more

personalized and understandable information through the live streaming feature interface, which addresses the requirement for face-to-face connection between buyers and sellers, which has been proven to be crucial for establishing trust. Contact is a key element of live streaming commerce that can promote the exchange of information and emotions, hence reducing customers' perception of danger and enhancing their level of trust. According to the study results, trust is a crucial element in ensuring the viability of social media. In addition to the importance of trust in a variety of e-commerce contexts. The research results assure us that the success of any company depends on long-term relationships with consumers, and adopting and keeping clients depends heavily on trust. Thus, despite being challenging to manage, trust is crucial for preserving connections and giving value to customers. Of course, the network's dependability and security are crucial to protecting users' private communications (Dutoto, 2014).

Considering the recommendations and actions of other customers can help consumers reduce the risk of their own conduct, according to existing research on online purchases (Cao, Zheng, Xu, Shao, & Jiang, 2021; Salam et al., 2003; Wang & Chang, 2013). The fact that consumers are placed in a virtual and interactive online buying environment where others are participating is a standout feature of the live streaming marketing approach (Guan et al., 2021). From the aforementioned research findings, it is clear that businesses may encourage customers to trust online buying, which will reduce their perception of risk and promote the growth of online transactions. One may consider live streaming shopping to be a type of online shopping, and possible transactions will be significantly impacted by customer trust online (Lazaroiu et al., 2020; Rasty et al., 2021).

9. Managerial implications and limitations

The study's findings revealed that live stream factors significantly affect how trust is perceived by electronic consumers while making purchases. In accordance with the research's findings, researchers advise live stream marketers to learn everything they can about the things they are selling because doing so will enable customers to make well-informed choices. Based on the findings that support the significance of the live streamer's experience, the researcher advises marketers to employ streamers who have sufficient experience with the offered product. This will enable them to present and explain the necessary information to the electronic consumer in the best possible way, as well as to provide in-depth and helpful information that builds consumer trust. Regarding the entertainment finding, it was discovered that the electronic consumer often follows the live stream with the intention of having fun with friends, participating in games and puzzles, or simply enjoying the marketer's presentation rather than just making a purchase, although the study's findings show that this variable has little effect on boosting online consumer trust, the researcher however advises raising awareness of including electronic games and puzzles into the live stream along with entertaining tales and incidents to increase the viewer's enjoyment of the live stream.

The study's findings were limited to the community of electronic consumers in Saudi Arabia. Future research may focus on other global societies or make comparisons between the outcomes of Arab nations and those of other nations. In addition to the potential for doing future research focused on a certain product category that is represented in the live stream feature, such as one involving the clothing or jewelry industry.

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