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Tiktok Platform Opportunity: How Does It Influence SMEs Brand Awareness Among Generation Z?

Genoveva Genoveva

President University, Cikarang, Indonesia

genoveva@president.ac.id

Abstract: The increasing of social media and digital-based business, transforms traditional marketing into interactive marketing, where consumers can interact directly with brands. TikTok as one of the popular social media among Generation Z also contributes to SMEs brand awareness. This study aims to measure the role of content marketing, influencers and psychological factors on brand awareness of SMEs from the perspective of Generation Z. This study uses a quantitative approach, with a questionnaire as a data collection tool. With snowball sampling, the targeted respondents reached 238 people. The data is then processed with SPSS version 25. The results showed that content marketing, influencers and psychological factors had a positive and significant effect on brand awareness. However, the factor that has the greatest influence on brand awareness is content marketing (63.5%), followed by psychological factors 34.2% and influencers only 21.6%.

Keywords: , Brand Awareness, Content Marketing, Influencer, Psychological Factors

Introduction

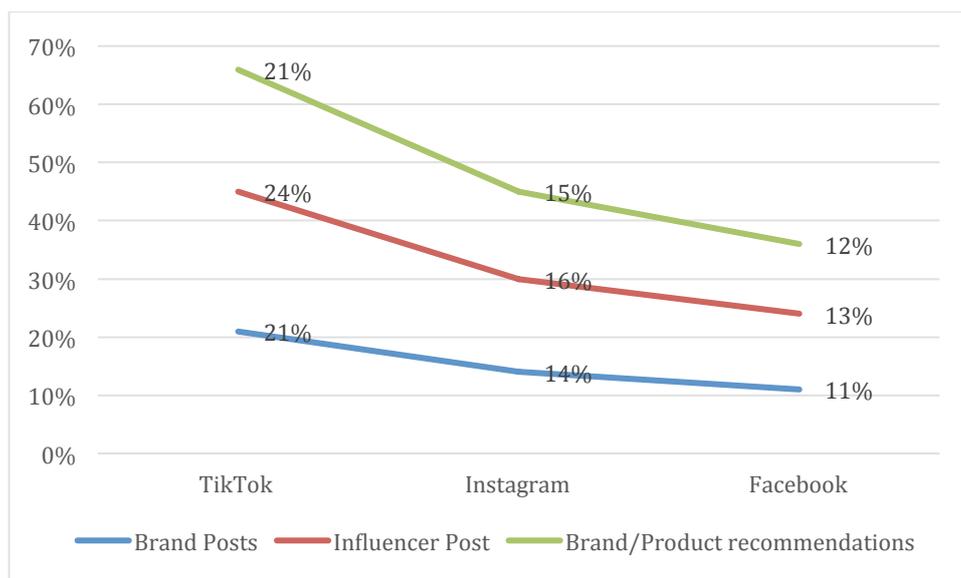
The development of social media and digital-based business, transforms traditional marketing into interactive marketing, where consumers can interact directly with brands, influencers/brand ambassadors and share experiences directly (Dahl, 2018; Haenlein, 2020). The use of social media at this time is not only a social media, but social media has added its function as an effective and efficient promotional media for business actors, especially SMEs who want to introduce their brand (Baquita, 2021). One of the most popular social media today is TikTok. Tiktok successfully as the interaction media for the users (Montag, 2021).

TikTok as a video and music-based social media platform is a social media originating from China and has spread to various countries, including Indonesia. With a 15-second music video, TikTok is able to create a narrative model that satisfies the curiosity of its users

(Choudhry, Gautam, & Arya, 2020). The combination of video and music is able to make Generation Z at the top of TikTok users, which is 40% (Haenlein, 2020).

TikTok was launched in September 2016 in China, a year later TikTok successfully entered the international world. Currently TikTok has 689 million international users (Iqbal, 2021). With 22.2 million users in Indonesia, TikTok has great potential in helping SMEs promote their brands. Compared to its rival platforms, namely Instagram and Facebook, TikTok has recorded numbers that have great opportunities in business. In figure 1 below, it can be concluded that in terms of content promoting a brand, either directly by SMEs or through influencers, TikTok has an advantage over its competitors Instagram and Facebook.

Figure 1. **The Content of Social Media**



Source: Compile by researcher from Iqbal, 2021

The combination of TikTok video and music is an attractive force, because users feel that they are interacting directly with the influencer/brand on offer (Tang, 2019). In order for a brand to have a high level of awareness, content marketing is very important for companies in creating audience engagement, marketers need to create content that engages users so that it contributes to the company's brand awareness but the content is valuable to customers (Kotler, Kartajaya, & Setiawan, 2017). Content marketing is also an indirect and direct process to promote a business or brand through various kinds of content, both audio-visual and textual and other online forums (Gunelius, 2011).

In addition to content marketing, influencers also play a very important role in the digital era. According to (Sekhon, Bickart, Trudel, & Fournier, 2016) influencers have a 40% influence on user awareness. Social media influencers are individuals who can influence consumer awareness of the brands offered. Various ways can be done by influencers in creating user awareness, for example by providing reviews about products / services from a brand, providing the latest information about a product, and providing evaluations (Loeper A., Steiner, & Stewart, 2014; Liu, et al., 2015; Munukka, Uusitalo, & Toivonen, 2016). In 2018, companies in Indonesia have allocated their marketing the budget for

social media influencers is about 20-30% higher than the previous year (Hermanda, Sumarwan, & Tinaprilla, 2019).

Psychological factors are the things behind a person in making decisions using social media, in the context of this research is TikTok (Montag, Yang, & Elthai, 2021). A study from (Shao & Lee, 2020) said that the need for escapism is also a factor for TikTok users. In particular, young people (Generation Z) use TikTok as an effort to gain peer recognition. While (Bucknell B. C & Kottasz, 2020) concluded that the need for entertainment drives someone to use TikTok. Other authors have argued that TikTok participation is motivated by the need to expand social networks, seek fame, and express oneself creatively. Therefore, psychological factor to using Tiktok influence on generation Z awareness. Generation Z are those who were born from 1995 to 2010 with digital technology skills because they grew up since the internet, social media, and mobile systems (Francis & Hoefel, 2018).

Based on the explanation above, researcher assume that content marketing, influencers and psychological factors in social media influence on brand awareness. This research focuses on Generation Z as the biggest users of TikTok. While the object of this research is SMEs that use TikTok as a promotional medium. To best my knowledge, this is the first study in Indonesia to examine the role of TikTok in increasing SMEs brand awareness based on the experiences of Generation Z.

Literature Review

Brand Awareness

(Rossiter & Percy, 1997) defines brand awareness is defined as the ability of the buyer to identify the brand in sufficient detail to make a purchase. Meanwhile, (Keller., 2013) has shown that brand awareness refers to whether consumers can remember or recognize a brand, or simply whether consumers know about a brand. In the digital era, social media plays an important role for Generation Z in making purchasing decisions, brands that are often promoted and discussed by consumers will have more awareness from consumers than brands that do not introduce their products through social media. The higher the brand awareness, the easier it is to attract consumers. Brand awareness consists of two aspects, namely brand recognition and memory. Most experts have reached a consensus that brand recognition and memory are important when consumers make purchasing decisions (Thoma & Williams, 2013) and evaluate product usage experiences (Stach, 2019).

The use of social media has changed consumer behavior and the way companies do business. Social and digital marketing offers significant opportunities for companies through lower costs, better brand awareness and increased sales (Dwivedi & et al., 2021). This advantage makes marketing through TikTok effective for SMEs with limited marketing budget. Based on the explanation above, the author assumes that the factors that influence the brand awareness of Generation Z are a combination of content marketing and influencers (Gunawan, Haryono, & Andreani, 2021), also psychological aspects (Laroche, Kim, & Zhou, 1996).

Content Marketing

Content marketing is the active role of consumer participation to share and be active in the media space of interest (Kilgour., Sasser, & Larke, 2015). While the institute of Content Marketing define that, content marketing is a marketing technique for creating and distributing valuable items, through relevant and consistent content to attract audiences (Institute, 2015). Content marketing plays an important role in the success of marketing communications. The study by (Hutchins & Rodriguez , 2018) analyzing content marketing found that using emotion in content marketing can lead to competitive advantage and increased brand awareness. On the other hand, (Ansari, Ansari, Ghori, & Kazi, 2019) state that, content marketing is a way in which a brand shares valuable information consistently to gain market share in the hope of increasing a positive response. Content marketing that is attractive to consumers will increase user participation in brand activities. Content marketing also helps consumers to have awareness of a brand and ultimately encourages consumers to buy the product. Therefore, reseacher formulation the first hypothesis as follow:

H₁: Content marketing positive influence on SMEs Brand awareness among generation Z

Influencer

Influencers are consumers who communicate product information and have an impact on other consumers through social media (Keller & Fay, 2016). A social media influencer is someone who uses specific attributes in delivering certain content based on visibility, credibility, attractiveness, and power (Rossiter, Percy, & Bergkvist, 2018). Influencer marketing can be successful, if done right. Influencers are closely related to social media. where influencers need the exposure provided by social media platforms to gain notoriety, and those platforms have their appeal through content posted by influencers who are active on them (Haenlein, 2020). Today, the role of influencers is very strong in communicating brands in the internet and social media era. Although there is no homogeneous definition of influencer marketing, basically the effect contributed by influential communicators is to create awareness of a product on social media and in this way create consumption trends emerged (Evans, Phua, Lim, & J., 2017)). In the same line come from (Gunawan, Haryono, & Andreani, 2021), they concluded that there is an impact influence on brand awareness among generation Z in Surabaya context. Therefore, my second hypothesis as the follow:

H₂: Influencer positive influence on SMEs Brand awareness among generation Z

Psychological Factor

Psychological factors in the formation of brand awareness are influenced by various things, including perception. Brand perception is related to how the brand is perceived by consumers. It is closely related to consumer attitudes and personality impressions, which reflect how consumers evaluate, believe, react, and relate (Aronson, Wilson, & Akert, 2010; Schivinski & Dabrowski, 2016). Factors that influence human behavior, especially in social media in the digital era, are related to consumer psychology, namely influencing perceptions and actions towards brands (Laroche, Kim, & Zhou, 1996). The results of research by (Alan & Kadabayi, 2016) show that psychological factors, such as high extraversion personality characteristics, they are more likely to use social media platforms. This is supported by the well-known facts that the main reason for using social media platforms is to experience people's experiences and be easy to socialize (Bolton, et al., 2013;

Valkenburg, Peter., & Schouten, 2006). Social media platforms allow users to share their experiences about a brand and provide opportunities for their friends to comment (Christofides, Muise, & Desmarais, 2012). Therefore, my third hypothesis can be formulated as follows:

H₃: Psychological factors positively influence SMEs Brand awareness among Generation Z

Methods

This study is a quantitative study, where the design of this study is to collect relevant data to test the hypothesis which is a phenomenon and evaluate it accurately (Tabachnick & Fidell, 2013). The population in this study is Generation Z who have TikTok social media and have made purchases of SME products promoted through TikTok. The sample of this research is non-probability sampling, with a snowball approach, where the questionnaire is distributed through relations, family, colleagues and online groups such as WhatsApp, Line and the TikTok community. This sample selection has certain qualities and characteristics to study and concluded by the researcher (Sugiyono, 2018). Based on (Hair, Anderson, R.E., Babin, & Black, 2010) the ideal sample size is $N = 5-10 \times q$ (questions), because the questionnaire consists of 32 questions, therefore, the ideal sample size starts from 160-320. The researcher collected 238 respondents, where this figure is within the research range.

The questions in the questionnaire were compiled based on the combined theory of several researchers. For content marketing using the theory from (Ansari, Ansari, Ghorri, & Kazi, 2019), while influencers from (Keller & Fay, 2016), then psychological factors from the research results (Laroche, Kim, & Zhou, 1996), and brand awareness from (Keller., 2013). Every single one of them produces 8 questions, therefore, the total questions were 32. The data were then processed using SPSS version 25.

The author wants to make sure that the respondents who fill out the questionnaire are in accordance with the target, therefore the questionnaire begins with three screening questions, namely: 1) Born in 1995-2010, 2) having an account on TikTok, and 3) Interested in shopping for certain brands because of advertisements on TikTok. The number of respondents who met the requirements were 238, consisting of 74% female and 26% male.

Findings

Pre-test

The author uses 30 respondents to test the validity and reliability of the questionnaire. Of the 32 questions tested, all questions showed results that were higher than the t-table (0.361) (Mohamad, Sulaiman, Sern, & Salleh, 2015), which was in the range of 0.451 - 0.876. This means that all questions are valid, therefore, they are eligible to be used in the next step. For the reliability test, the authors tested per variable. The content marketing variable has the highest level of reliability with Cronbach's Alpha 0.898, while factor psychology is second with Cronbach's Alpha 0.812, third place is brand awareness with Cronbach's Alpha 0.762 and influencers are the last with Cronbach Alpha 0.7354. All variables are reliable because they have Cronbach's Alpha > 0.60 (Ursachi, Horodnic, & Zait, 2015), therefore, it can be continued to the next step, namely the classical assumption test.

Normality test

Normality test is done to see whether a data is normally distributed or not. This study uses the Kolmogorov-Smirnov (KS) test to check the normality of the data. The test results in table 1 below show that this test is also used to see the distribution between the dependent variable and the independent variable. To pass this test the result must have a significance level above 0.05 (Drezner, Turel, & Zerom, 2010). The test used to determine normality is the Kolmogorov-Smirnov test. The test results obtained that the significance level is 0.071, which is above 0.05. This result means that the data generated by the survey has a normal distribution pattern.

Regression Analysis and Hypothesis Testing

Based on table 1, the multiple regression result can conclude by the equation as follow:

$$Y = 1.909 + 0.635X_1 + 0.216X_2 + 0.342X_3$$

Where:

- Y = Brand Awareness
 X₁ = Content Marketing
 X₂ = Influencer
 X₃ = Psychological Factors

Table 1. **T-Test**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.909	.816		1.821	.031
	CM	.635	.071	.422	4.429	.000
	IF	.216	.081	.165	1.644	.043
	PF	.342	.092	.332	2.004	.000

Table 1 shows that the independent variable that contributes the most to brand image is content marketing, which is 63.5%. While Psychological factors were in second place with 34.2% gain, the last one was influencers who only contributed 21.6%.

Partial testing shows that content marketing has a positive and significant effect on brand awareness (H₁), this is indicated by a significance value of .000 < 0.050. The results of this study are in line with previous research, namely (Sekhon, Bickart, Trudel, & Fournier, 2016; Ansari, Ansari, Ghori, & Kazi, 2019) in the context of social media. The same thing, evidenced by the influencer variable, also has a positive and significant effect on brand image (H₂) with a significant value of 0.043 < 0.050. The results of this study have similarities with previous research, where (Haenlein, 2020; Gunawan, Haryono, & Andreani, 2021) in the context of social media, influencers have a significant influence on brand awareness. The third hypothesis (H₃) is that psychological factors also have a positive and significant influence on brand awareness, with a significance value of 0.00 < 0.050. The results of this study are supported by previous research (Christofides, Muise, & Desmarais, 2012) in the context of social media Facebook and (Laroche, Kim, & Zhou, 1996) in the context of multibrand of social media.

Table 2. F-Test

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.292	3	5.464	35.428	.000 ^b
	Residual	23.114	234	.284		
	Total	36.797	237			

a. Dependent Variable: Brand Awareness

b. Predictors: (Constant) content marketing, influencer, psychological factors

The variables of content marketing, influencer and psychological factors have a positive and significant effect on brand awareness with a significance number of $0.000 < 0.050$. The results of this study have similarities with the results of research (Laroche, Kim, & Zhou, 1996; Gunawan, Haryono, & Andreani, 2021). Meanwhile, the F table value for 238 respondents is $df-2 = 3.88$, where the F count above is 35,428, so it is greater than the F table.

Table 3. Coefficient of Determination (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 ^a	.588	.573	.52734

a. Predictors: (Constant) content marketing, influencer, psychological factors

b. Dependent Variable: Brand Awareness

The contribution of independent variables (content marketing, influencers and psychological factors) to variable Y (brand awareness) is 57.3%, while the remaining 42.7% is influenced by other factors not examined in this study.

Table 3 also shows that the independent variables (content marketing, influencers and psychological factors) have a strong correlation (70.1%) to the dependent variable (brand awareness) because they have a score above 50%.

Conclusion

This study proves that the thing that has the most influence on brand awareness for Generation Z on TikTok is content marketing. Where 63.5% of SMEs brand awareness is determined by content marketing. Therefore, SMEs who want to increase brand awareness of their products can provide content that is interesting, attractive, involves user participation and is consistent. While the use of influencers only has an influence of 21.6%, it means that influencers have less significant influence. SMEs products with limited promotional budgets are better off focusing on content marketing, rather than paying for influencers.

For the future researchers, they can add other variables, because the contribution of the independent variables (content marketing, influencers and psychological factors) used in this study is only 57.5% of brand awareness. Variables that can be added include environmental factors, peer pressure, motivation and lifestyle. In addition to generation Z, respondents can also be developed more broadly, for example the millennial generation who is the number 2 users on TikTok. The limitations in this study can also be continued

by future researchers, for example increasing the number of respondents, using qualitative research to complement quantitative data and other social media besides TikTok. The future researchers can also use SMEs actors as respondents to find out the effectiveness of sales on the use of TikTok social media as a promotional media.

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