KOLs' IMPACTS ON THE GEN Z's PURCHASE INTENTIONS IN HO CHI MINH, VIETNAM: LITERATURE REVIEW

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Abstract

At present, the phenomenon of Key Opinion Leaders (KOLs) has had a significant impact on consumer purchasing behavior. These KOLs demonstrate a notable capacity to sway the buying choices of youthful consumers through personalized online engagements, fostering their confidence within the digital realm. Specifically, KOLs serve as effective intermediaries for companies to interact with consumers, establish trust, and stimulate favorable shopping inclinations. As a result, this study employed a combination of qualitative and quantitative approaches to ascertain its outcomes. The results reveal 04 pivotal factors that influence the buying intentions of young consumers, including **Expertise, Likability, Reputation, and Interactivity**. Besides, the **Trustworthiness** factor serves as a moderating factor in this association. The empirical data clearly illustrates that these factors, especially when moderated by trust, have a beneficial impact on purchase intent. This study holds significant theoretical and practical implications, especially concerning consumption intentions among Generation Z consumers in Ho Chi Minh City.

Keywords: Key Opinion Leaders (KOLs), Generation Z Consumers, Purchasing Intentions.

1. INTRODUCTION

At present, the advancement of technology alongside various social networking platforms has brought about a transformation in advertising approaches, shifting from product-centric marketing to marketing strategies within a digital realm that can engage with a vast and widespread community. Specifically, within the marketing 5.0 era, Kotler, Kartajaya & Setiawan (2021) highlighted the concepts of Augmented Marketing, Data-driven Marketing, and Adaptive Marketing as essential for engaging with the contemporary society where five distinct generations coexist. Hence, the presence of diversity in contemporary marketing practices is undeniably crucial. A key strategy in this realm is the utilization of Key Opinion Leaders (KOLs) within the product promotion strategy (Hua, Bao & Wu, 2021), individuals who hold sway over consumers' purchasing decisions, particularly among the youth demographic. This is largely due to the prevalent belief among today's youth that KOLs are often more esteemed and knowledgeable (Fay, 2020).

Empirical studies have further indicated that Generation Z is 1.3 times more likely to purchase products endorsed by Influencers compared to those endorsed by traditional celebrities on television or in films (Vu, 2021). Moreover, the research by Tran & Uehara (2023) underscores that KOLs serve as a potent marketing tool in furnishing consumers with an in-depth comprehension of the advantages linked with eco-friendly products.

Indeed, it can be argued that Gen Z represent a significant consumer force in contemporary retail and hold substantial potential for businesses. Consequently, marketers are currently confronted predominantly with the task of persuading Generation

Z consumers to make purchase decisions in a landscape where they have rapid access to extensive information through simple clicks and browsing activities (Nguyen, 2023), all while navigating product selections. As a result, the utilization of Key Opinion Leaders (KOLs) in marketing strategies emerges as a promising approach to sway Generation Z towards investing in various products.

Therefore, this article aims to conduct an analysis aimed at uncovering the influential factors of KOLs on the purchasing intentions of Generation Z. This analysis seeks to delineate and characterize the levels of impact that KOLs wield over Generation Z's buying behaviors in the retail landscape at Ho Chi Minh City. Subsequently, this study offers discussions and puts forth actionable insights to assist brands in effectively engaging and persuading Generation Z consumers.

2. LITERATURE REVIEW

2.1 Purchasing intention

Mullet & Marvin (2003) elucidate that the purchase intention of consumers serves as a direct manifestation of their shopping conduct. Especially, within the framework of the theory of planned behavior (TPB) employed in analyzing Thai consumer behavior, it is demonstrated that the intention to participate in online shopping is molded by behavioral control and subjective norms, which embody the collective attitudes of individuals in their social sphere (Orapin, 2009). This elucidates how external influences impact customers' inclinations toward making purchases, reflecting the probability of their intent to acquire a specific product or service in the future (Wu, Yeh, & Hsiao, 2011).

Evidently, during the shopping process, favorable sentiments conveyed by previous consumers through feedback, social media shares, and recommendations can significantly sway consumers' purchase intentions (Wang Xiaoyi, 2016). Particularly in the contemporary digital era, the decision to buy a product is further swayed by the ease and swiftness of online search activities on e-commerce platforms (Donni et al., 2018). Despite the substantial influence of product risk, financial risk, security risk, and user privacy risk on customers' purchase intentions (Tran, 2020), today's purchasing choices are also markedly shaped by the advancements in digital technology.

This accentuates the inevitability of employing Key Opinion Leaders (KOLs) strategies (as a digitalization strategy) to impact purchase intentions since KOLs wield a profound influence on purchasing emotions, and expertise, thereby persuading customers' inclination to make a purchase, particularly among the younger demographic (Liua, 2024).

2.2 KOLs – Key Opinion Leaders

In a period characterized by swift technological advancements, it is imperative for managers and marketers to adapt and introduce innovations to keep pace with the ongoing transition. The realm of social media marketing entails fostering customer interactions on the company's official website or via its social media platforms (Chaffey, 2011). Consequently, numerous marketers today have devised multiple methodologies

to comprehend consumer behavior and attitudes in order to scrutinize suitable marketing approaches, whereby strategies involving Key Opinion Leaders (KOLs) - individuals possessing advanced knowledge and expertise within a specific domain (Egger, 2016) - have been identified as pivotal in organizational communication endeavors.

The term KOLs, short for Key Opinion Leaders, denotes influential individuals within a network renowned for their visibility, professionalism, and engagement in a particular area of interest, who engage with users, articulate viewpoints, and opine on products through the network, thereby shaping the opinions and actions of others (Wang Zhaorong, 2017). Indeed, KOLs may emerge as authorities in a distinct domain or possess an extensive social network (Casaló, Flavián & Ibáñez-Sánchez, 2018), and are capable of swaying consumer purchasing patterns and communicating messages pertaining to brands, products, and advertisements directly to consumers.

Research by Algi & Irwansyah (2018) has identified certain attributes for recognizing KOLs: expertise in their field, revered by the audience, access to pertinent channels for a broader information pool than their followers, and the capacity to persistently guide and influence purchase decisions. Not confined to celebrities or musicians, KOLs on Facebook encompass influencers with a follower count of less than 10,000, whom businesses compensate and motivate to endorse their offerings. As evidenced by a study in 2019, a substantial 92% of consumers place trust in recommendations from acquaintances, whereas merely 33% express faith in advertisements on online platforms (Pham, Shanger & Nelson, 2019).

Besides, KOLs also play a significant role in enhancing word-of-mouth communication. Research by Tobon et al. (2021) demonstrates that Key Opinion Leaders (KOLs) exert a positive influence on consumers' online decisions through their online word-of-mouth efficacy. This influence is particularly pronounced in smaller community groups, such as those on the Wechat platform in China (Xiao & Lei, 2021). While Wechat serves as a key platform for KOLs, there exist various other channels. For instance, Jin et al. (2023) identified advertising through short videos as the most impactful method among these diverse forms of promotion.

3. THEORETICAL FRAMEWORK

3.1 Research model of Giang & Duong (2018)

This article delves into the perceptions of Vietnamese consumers regarding celebrity brand representatives in the domains of **trustworthiness, expertise, and attractiveness**. The study holds significance by revealing a positive correlation between consumers' perceptions of attributes associated with the individual brand spokesperson. The findings of the study indicate that in order to positively impact customers' buying intentionss, particularly among younger consumer segments, brands must meticulously assess elements linked to professional competencies, the credibility, and allure of the spokesperson, with a specific emphasis on professional expertise. Rather than haphazardly selecting a representative solely based on fame, the brand ambassador

should possess profound knowledge about the designated brand, exhibit proficiency in product usage, and manifest their qualifications to effectively represent the brand.
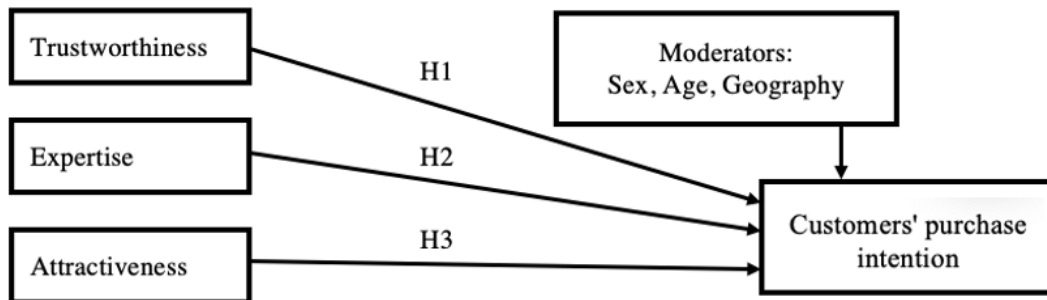

Figure 1: Research model of Giang & Duong (2018) *(Source:* **Giang & Duong, 2018***)*

The spokesperson's trustworthiness factor also warrants attention. The designated brand representative ought to maintain a favorable public image and cultivate consumer trust by projecting images that instill confidence in the information pertaining to the endorsed products. To achieve this, the brand representative should authentically engage with the product/brand, as opposed to mere appearances alongside the brand in promotional activities and marketing endeavors. Lastly, while the spokesperson's attractiveness is a requisite factor, it should be assigned lesser importance when deliberating on the selection of a representative for a brand.

The sample utilized in the study exhibited a somewhat uneven distribution across different age brackets, predominantly favoring the age group of 18-25 years, thus the research outcomes may have limitations when extrapolated to other demographic segments. Nonetheless, such disparities are inherent in studies employing random sampling procedures. Subsequent research in this domain ought to meticulously consider sample characteristics to ensure a more diverse consumer base. Furthermore, the present study solely scrutinized three facets of the brand representative. Future investigations could explore myriad other dimensions of the brand ambassador, thereby exerting an impact on consumer behavior.

3.2 Research model of Márcia Filipa Martins Botelho (2019)

Based on the findings of Márcia Filipa Martins Botelho in 2019, the model presented takes into account both tangible elements such as likes and followers and intangible aspects like indicators of source credibility (specifically expertise, trustworthiness, likability, and favorability), interactivity, and the quality of arguments. The outcomes derived from this framework are aimed at simplifying the process of selecting influential individuals to serve as brand advocates and endorsers of cosmetic products. It is fundamental not only to introduce consumers to products and brands but also to grasp the factors that trigger consumer interest in them. The cluster of factors related to Source Credibility implies that individuals are more inclined to have faith in the content of a message if it originates from a reliable source rather than an unreliable one (Xiao, Wang & Chan-Olmsted, 2018).

Numerous research endeavors have scrutinized source dependability from various perspectives. In the forthcoming investigation, we will evaluate source credibility through the lens of four dimensions, namely source expertise, trustworthiness, likability, and favorability. These four facets constitute experiential cues that shape an individual's judgment of the dependability of information (Xiao, Wang & Chan-Olmsted, 2018). When consumers perceive review sources as credible, their inclination to make a purchase may escalate (Zhang, Zhao, Cheung, & Lee, 2014).
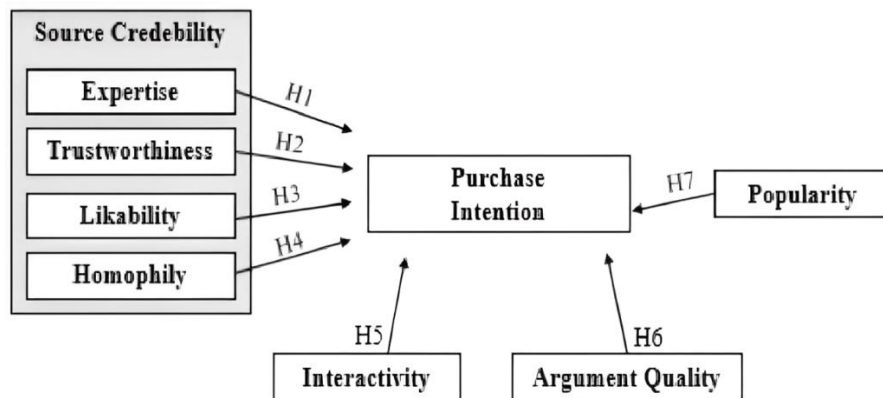

Figure 2: Research model of Márcia Filipa Martins Botelho (2019)

(Source: Márcia Filipa Martins Botelho, 2019)

The findings of the research suggest that perceiving a social media influencer as genuine and being drawn to their personality and charm do not have an impact on the intention to purchase cosmetic items endorsed by said influencer. These findings bear significant implications, warranting further investigation into the reasons behind the negligible impact of these characteristics on purchase intentions. Conversely, the likeness of an influencer to the audience, the effectiveness of the argument, the level of popularity, expertise, and the level of engagement on social media are all factors that can influence the intent to buy a cosmetic product. Homophily emerges as the most potent characteristic in this context, signifying that if the influencer resonates with the consumer in terms of psychological or physical attributes, the likelihood of the consumer buying a cosmetic product they endorse is heightened. This finding corroborates the aforementioned.

3.3 Research model of Alotaibi, Alkhathlan & Alzeer (2019)

The authors effectively utilized the PLS Path Model (PLS-SEM) to assess and validate their proposed model, demonstrating its robust validity, reliability, and predictability. Their research significantly contributes to the commerce field by investigating the combined effects of Maroof, SMIs, KOLs, and consumer feedback, illuminating the formation of consumer purchase intentions. Maroof, an e-service catalyzing e-commerce growth in Saudi Arabia, was founded through collaboration between the Ministry of Trade and Investment and Thiqah Business Services. Functioning as a platform for reviewing online stores in Saudi Arabia, Maroof facilitates registered sellers in expanding their customer reach and offers buyers a dependable avenue to explore services and products. It

empowers consumers to access ratings, reviews, and feedback to make well-informed purchasing decisions, benefiting both buyers and sellers alike. Recognized as experts in their fields, Key Opinion Leaders (KOLs) are sought after for advice and recommendations, wielding a positive influence on marketing strategies due to their strong rapport with followers. Instagram, a prominent platform among celebrities, witnesses users heavily relying on KOLs' insights and endorsements, given the absence of clear metrics for product rankings and reputation. Studies indicate KOLs significantly influence consumer trust in Instagram stores and drive purchase intentions, particularly in Indonesia. Social Media Influencers (SMIs) build fame by sharing content on platforms like Instagram, Facebook, YouTube, and Snapchat, focusing on specialized niches such as lifestyle, food, travel, or fashion. Their diverse audience values their online persona and lifestyle over intellectual prowess.

This study underscores KOLs, SMIs, and consumer feedback as key factors shaping consumer trust in Instagram stores, highlighting their substantial impact on purchase intentions. Noteworthy is the integration of Maroof as a significant variable, positively influencing trust and purchase intentions among Saudi Arabian consumers on Instagram. The research establishes a strong correlation between consumer trust and purchase intentions, providing valuable insights for suppliers and businesses to optimize profitability by understanding essential factors guiding consumer purchase decisions.
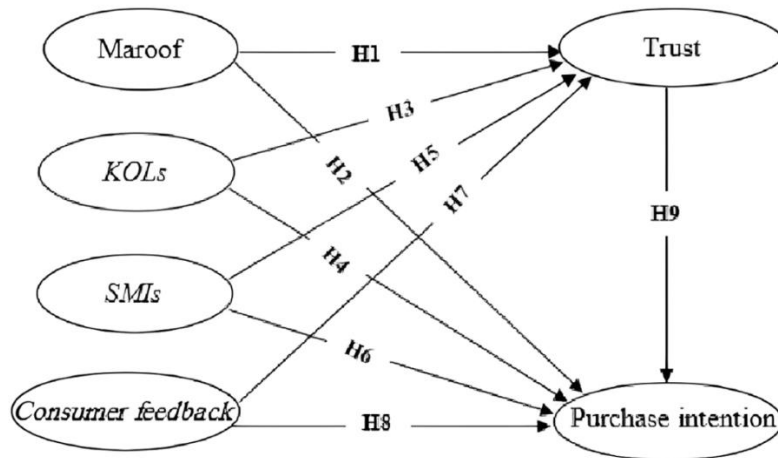

Figure 3: Research model of Alotaibi, Alkhathlan & Alzeer (2019)

(Source: Alotaibi, Alkhathlan & Alzeer (2019)

The study is subject to several limitations, primarily stemming from the restricted survey sample comprising solely Saudi Arabian consumers, potentially impeding the generalizability of the findings to diverse cultures. Moreover, the relatively small number of survey respondents raises concerns regarding the potential for misleading results. It is hoped that future research will address this by expanding the sample size to more accurately represent the broader consumer population.

3.4 Research model of Cuong, Quynh, & Phuc (2021)

The results of the research indicate the presence of 6 significant factors linked to brand ambassadors that influence consumers' buying intentions in Ho Chi Minh City, with all 5 independent variables - Trust, Attraction, Expertise, Familiarity, and Compatibility between brand/product ambassadors - demonstrating positive regression coefficients, signifying a favorable impact on customers' purchasing intention.

A linear regression analysis was carried out by the researchers, considering purchase intention as the outcome variable and 6 predictors drawn from existing literature, namely: attractiveness, trustworthiness, expertise, familiarity, compatibility of the celebrity with the brand or product, and negative information. The findings of the study reveal that there exist 6 key factors associated with brand ambassadors that impact consumers' purchasing intentions in Ho Chi Minh City. Notably, the regression coefficients of the 5 independent variables - Trust, Attraction, Expertise, Familiarity, and Compatibility between brand/product ambassadors - all exhibit positive values, indicating a positive influence on customers' purchasing intention.

Per the standardized regression coefficient beta values, the sequence of impact from most to least significant of the independent variables on the dependent variable is as such: Compatibility (0.482) > Trustworthiness (0.199) > Expertise (0.162) > Familiarity (0.153) > Attractiveness (0.079). Therefore, the compatibility between brand/product ambassador emerges as the most impactful factor on customer purchasing intention. Furthermore, adverse information conveyed by brand representatives also exerts a detrimental effect on customers' purchasing intention.
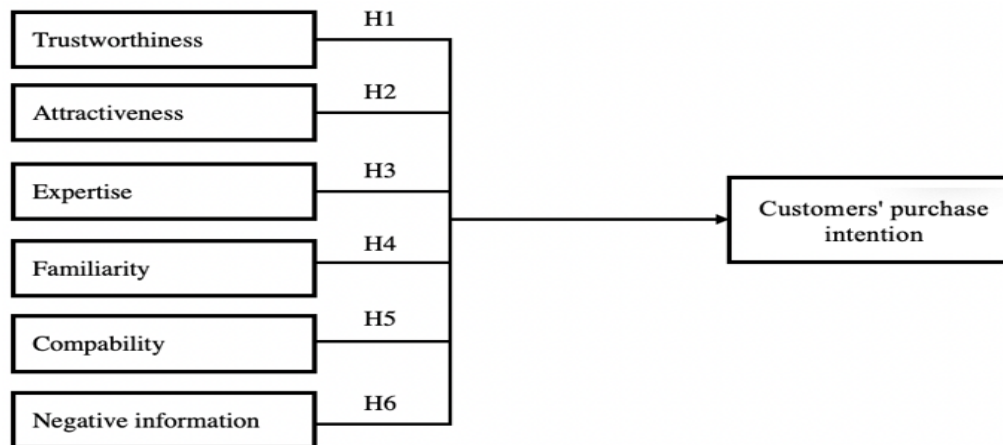

Figure 4: Research model of Cuong, Quynh, & Phuc (2021)

(Source: Cuong, Quynh, & Phuc, 2021)

3.5 Research model of Hau Le (2022)

This study aims to elucidate the association between consumer trust in Key Opinion Leaders (KOLs) and the perceived utility of content generated by KOLs on social media platforms, impacting the buying inclination of Vietnamese customers. Furthermore, this

research delves into the correlation among three key factors of KOLs: Prestige, Appeal, Product Relevance for KOLs, and their level of sway on the trust levels of Vietnamese consumers towards KOLs. The proposed framework also explores the interconnectedness between Trust in KOLs and the Perception of Utility of content produced by KOLs, founded on theories of Consumer Behavior and the Technology Acceptance Model (TAM). Six hypotheses were formulated and verified via a survey conducted on Vietnamese consumers across different regions, who had made purchases subsequent to engaging with KOL content on social media platforms, yielding 542 valid responses. Structural Equation Modeling (SEM) was utilized to ascertain the impact of KOLs on the purchasing behavior of Vietnamese consumers.

The findings reveal that the Prestige and Appeal of KOLs significantly influence the trust levels of Vietnamese consumers in KOLs, while Trust and recognition of the utility of content generated by KOLs also impact the purchasing decisions of Vietnamese consumers. Notably, the attractiveness of KOLs exerts a substantial influence on trust in KOLs, subsequently affecting the purchase intentions of Vietnamese consumers.
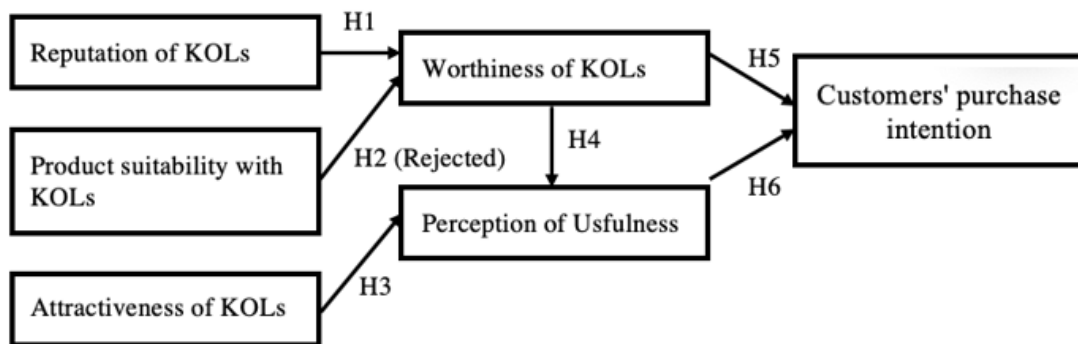

Figure 5: Research model of Hau Le (2022)

(Source: Hau Le, 2022)

4. HYPOTHESES AND RESEARCH MODEL

Based on the theoretical foundations in section 3, the author has compiled and selected factors as follows:

1) Reputation of KOLs (Independent variable)

2) Interactivity with KOLs (Independent variable)

3) Likability (Independent variable)

4) Expertise of KOLs (Independent variable)

5) Trustworthiness (Mediating variable)

6) Purchase intention (Dependent variable)

4.1 Reputation of KOLs

Social media marketing is progressively garnering increased attention and recognition, with companies now incorporating Key Opinion Leaders (KOLs) into their marketing strategies. This is because customers exhibit a higher inclination to make purchases when influenced by KOLs who are deemed trustworthy and possess enhanced levels of expertise and product knowledge (Rahi, Ghani & Muhamad, 2017). Consequently, it is evident that consumers consistently favor their trusted influencers, thereby streamlining their purchasing decisions.

Marketers, by gauging the popularity of the KOLs they collaborate with, can better predict revenues, enabling them to tailor advertisements towards specific video content and viewer demographics. Research by Lin, Swarna & Bruning (2017) indicates that the degree of popularity on social platforms correlates with public sentiment. The influence of KOLs' popularity can amplify the efficacy of posts in disseminating a company's message to captivate and sway consumers. In essence, the reputation of influencers stands out as a pivotal determinant in influencing purchase intent (Le & Hoang, 2018). Furthermore, drawing on the studies of Márcia Filipa Martins Botelho (2019) and Alotaibi, et al. (2019), the author formulates the primary hypothesis, incorporating five observed variables.

H1: Reputation of KOLs (RE) is positively related (+) to Trustworthiness.

4.2 Interactivity with KOLs

Social media provides an optimal platform for engagement, enabling users to easily express their viewpoints, opinions, and additional feedback. The level of engagement demonstrated by social media influencers holds varying implications, encompassing both advantageous and disadvantageous outcomes in their interactions with followers. The predominant focus of this study revolves around the experiential nature of interactions by Key Opinion Leaders (KOLs), and their capacity to shape the behaviors of their audience (Xiao et al., 2018).

Furthermore, in the contemporary landscape of the Internet, the utilization of the Word Of Mouth (WOM) strategy by KOLs has proven to be exceptionally impactful. This is attributed to the frequent occurrence of interpersonal exchanges on online platforms, with interactions facilitated by social media networks contributing significantly to fostering positive transformations among youthful consumers (Dasgupta & Kothari, 2018).

Hence, in the current epoch, KOLs have emerged as pivotal figures in the realm of effective marketing, surpassing traditional celebrities who lack the interactive approach in engaging with their viewers (Hung, 2020) which is superior to the strategy employed by KOLs. The author formulates the secondary hypothesis, incorporating four observed variables.

H2: Interactivity with KOLs (IN) is positively related (+) to Trustworthiness.

4.3 Liability of KOLs

The significance of KOLs is pivotal in persuading customers to have faith in and opt for the products endorsed by KOLs. Apart from professional aspects, KOLs are also required to establish emotional connections to ensure that consumers, particularly the youth, experience a sense of familiarity and affection, thus influencing their behavior to align with the preferences of KOLs. Establishing rapport and affection from customers demands a prolonged period of engagement to cultivate familiarity, ultimately leading to a substantial impact on customers' perceptions towards the brand (Ha & Lam, 2016). This assertion holds true, as KOLs necessitate an extended duration to engender attraction and amiability with audiences following a continuous interaction phase across various platforms (Xiao et al., 2018).

Additionally, Osei-Frimpong et al. (2019) elaborate that renowned KOLs possess attributes like charisma, reliability, and familiarity, which significantly shape consumer evaluations concerning quality, purchase intent, and brand allegiance. It is only when customers develop an affinity for KOLs that they are inclined to embrace the brand represented by these KOLs. Consequently, the third hypothesis posited by the author is:

H3: Liability of KOLs (LI) is positively related (+) to Trustworthiness.

4.4 Expertise of KOLs

The concept of "expertise" is delineated as the extent to which a communicator is perceived as a purveyor of accurate assertions (Hovland, C. I., Janis, I. L., & Kelley, H. H., 1953). The effectiveness of a communicator in persuading the recipient of information is influenced by the expertise possessed by the communicator (Ohanian, 1990).

Particularly, individuals with profound knowledge and skills exhibit significant motivational impacts in contrast to individuals with limited expertise (Ohanian, 1990). The expertise of celebrities is a factor warranting investigation regarding its impact on information recipients (Amos, Holmes, and Strutton, 2008). Customers assess the expertise of brand representatives by gauging perceived informational value. Weismueller et al. (2020) validate that the expertise of brand ambassadors positively affects customers' intentions to make a purchase. Additionally, as outlined by Olfat, Nasir, Shokoohyar & Shokouhyar (2024), bloggers or influencers demonstrate their expertise through interactive practices (BIPs), leading to a favorable impact on their followers' purchasing intentions for the endorsed products. This influence is mediated by the credibility of the bloggers and the para-social interactions of their followers. The author formulates the fourth hypothesis, incorporating five observed variables.

H4: Expertise of KOLs (EX) is positively related (+) to Trustworthiness.

4.5 Trustworthiness

Consumers frequently perceive celebrities as reliable sources of communication information (Goldsmith, Lafferty, & Newell, 2000). In fact, individuals who can impact consumer attitudes positively or negatively are known as a reference group to consumers, with celebrities being the most dependable reference group (Escalas & Bettman, 2005).

As such, it is recommended that businesses capitalize on individuals with high credibility, characterized by their reputation, popularity, positive public image, and strong reliability. It is notable that women tend to place more trust in female celebrities, while men exhibit greater trust towards male celebrities (Sliburyte, 2009). Key elements of trust typically encompass reliability, honesty, sincerity, and trustworthiness.

Presently, younger individuals tend to place more reliance on recommendations compared to older generations, as they aspire to emulate the preferences of renowned personalities. Osei-Frimpong et al. (2019) illustrated that the credibility of a brand ambassador positively impacts consumers' inclination to make a purchase. Similarly, Weismueller et al. (2020) contend that the trustworthiness of brand ambassadors positively affects customers' intentions to make a purchase. According to Utami, Setyowati & Mandasar (2020), consulting credible online reviews from brand ambassadors can aid consumers in cultivating trust towards their purchase decisions. Based on the aforementioned discussions, the final hypothesis is formulated as follows:

H5: Trustworthiness (TR) is positively related (+) to the Gen Z's purchase intention.

From the above hypotheses, the author determined a conceptual model below:
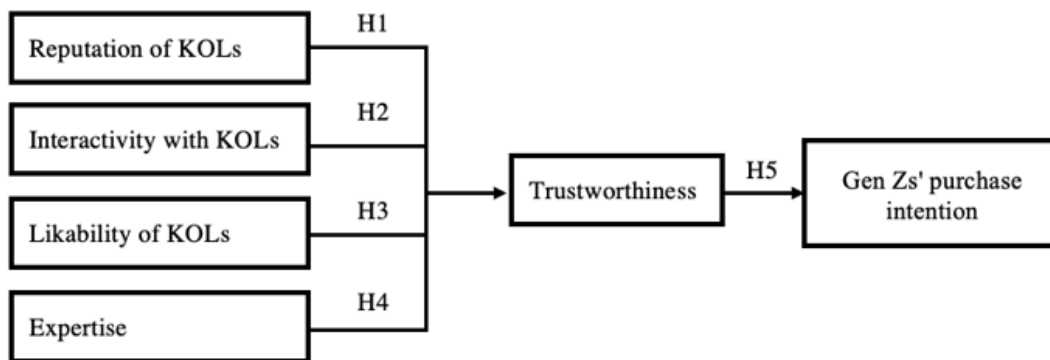

Figure 6: Conceptual model

(Source: Author)

The model is constructed with the following hypotheses:

- **Hypothesis H1: Reputation of KOLs (RE)** is positively related (+) to Trustworthiness**.**

- **Hypothesis H2: Interactivity with KOLs (IN)** is positively related (+) to Trustworthiness.

- **Hypothesis H3: Liability of KOLs (LI)** is positively related (+) to Trustworthiness.

- **Hypothesis H4: Expertise of KOLs (EX)** is positively related (+) to Trustworthiness.

- **Hypothesis H5: Trustworthiness (TR)** is positively related (+) to the Gen Z's purchase intention.

5. RESEARCH METHODOLOGY

In this scholarly article, the researcher integrates two distinct research methodologies, namely qualitative and quantitative. The qualitative approaches are primarily implemented by scrutinizing previous models and adopting concepts from researchers globally. On the other hand, the quantitative investigation involved conducting surveys via a questionnaire distributed to Generation Z consumers in the Ho Chi Minh City region, with a sample size of 280 individuals, to evaluate the research framework and hypotheses. The primary focus of the study is on the Gen Z cohort aged between 16 and 30 (predominantly students in Ho Chi Minh City, Vietnam) to assess the impact on purchasing intentions influenced by Expertise (EX), Reputation (RE), Interactivity (IN), Likability (LI), and Trustworthiness (TR) factors. The researcher employed a non-probability sampling technique, specifically a convenience sample of 280 participants.

Upon gathering 255 valid responses out of 280 survey participants, who completely answered 25 questions, the author proceeded with data analysis utilizing SPSS 26.0 software, leading to the following key outcomes:

- Concerning gender distribution, males constitute 40% (with 102 survey responses) while females make up 60% (with 153 survey responses).

- In terms of age demographics, the subjects were categorized into three groups. The first group, encompassing individuals under 18 years old, represents 15.1% of the sample. The second group consists of respondents aged between 18 and 25, constituting 68.6% of the cohort. The third group comprises individuals aged 26 to 30, accounting for 16.3% of the total participants.

6. RESULT

Upon evaluation of the Cronbach's Alpha coefficient pertaining to the scale, within the observed variables of the research model, it was noted that no observed variables were excluded; all variables demonstrated satisfactory reliability in the analysis of Cronbach's Alpha.

The KMO coefficient, standing at 0.891 during the initial EFA factor analysis, exhibited a level of significance at 0.000 in Bartlett's test. The outcomes of the EFA illustrated the presence of 3 factors at an Eigenvalue of 1.896. Nevertheless, variables EX5 and EX2 displayed factor loading coefficients below 0.5, rendering them inadequate.

With a KMO coefficient of 0.889 surpassing 0.5, the third EFA analysis was deemed suitable for the dataset. Bartlett's test revealed a significance level of 0.000, less than 0.05, indicating an overall correlation among the observed variables. The Eigenvalue, surpassing 1 at 1.892, met the criteria, leading to the grouping of observed variables into 3 factors. The explained variance amounted to 71.81%, signifying that the 3 factors elucidated 71.81% of the variance within the 3-factor research data established post the final EFA analysis.

Following the execution of the EFA analysis, the findings unveiled 15 significant variables, encompassing 4 independent observed factors clustered into 3 factors:

- Reputation: RE1, RE2, RE3, RE4, RE5

- Credibility (Expertise and Likability): EX1, EX3, EX, LI1, LI2, LI3

- Interactivity: IN1, IN2, IN3, IN4

Upon conducting regression tests on the population, it was evident that the model did not contravene the test hypotheses and bore statistical importance. Two variables, namely Credibility and Interactivity, were identified to impact trust, given their significance level of Sig. < 0.05, warranting inclusion in the regression equation and yielding a positive effect (positive Beta coefficient) on the intermediary variable Trust. The relationship between the intermediary variable and the independent variables is articulated in the subsequent equation:

Trustworthiness = 0.166*Interactivity + 0.660*Credibility

Professional interest contributes 66%, while Interaction contributes 16.6%, thereby establishing the order of influence on Trustworthiness as follows: Foremost, Credibility, and secondly, Interactivity. Subsequently, an examination of the relationship between the intermediary variable and the dependent variable is conducted, as delineated in the ensuing equation:

Gen Z's Purchase intention = 0.744* Trustworthiness

Through the scrutiny of the PATH model, with purchase intention ß= 0.744 and a percentage of 80.95%, it can be deduced that the independent variables encompassing Interactivity, Credibility, and the intermediary variable Trustworthiness expound on 80.95% of the fluctuations observed in the dependent variable Purchase intention amongst Generation Z.
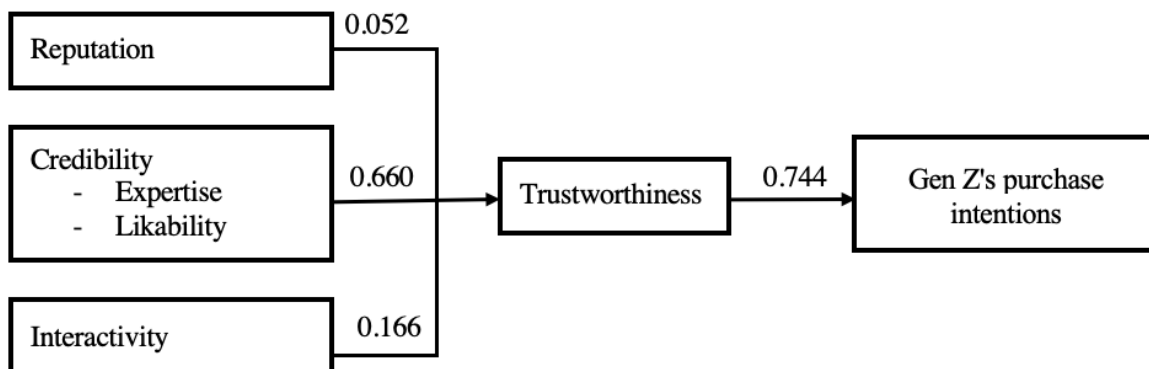

Figure 7: Research Model (Final)

(Source: Author)

7. DISCUSSION

The variable Credibility holds the position of the independent variable with the greatest impact (ß = 0.660) on the intermediate variable Trust. The analysis findings indicate that no scales are eliminated, while only the amalgamation of the Expertise factor and the Likability factor emerges.

This underscores the significance of Likability and Expertise, two pivotal scales crucial for Gen Z's sense of comfort and trustworthiness in their engagement with KOLs and their inclination towards purchasing based on KOLs' recommendations and advertisements.

Gen Z, a cohort of young individuals residing in the digital era, possess substantial knowledge and exposure to online shopping. Demonstrating a keen awareness in their shopping habits, they exhibit a rational approach by seeking information from diverse sources and synthesizing virtual and real experiences.

Contrary to placing faith in traditional advertising, Gen Z places greater trust in the endorsements from their immediate circles and influential public figures known as KOLs, as they perceive them as authorities in their respective domains with comprehensive expertise.

The research results presented by the authors illustrate a direct correlation between the expertise of KOLs and the level of trust instilled in customers. Furthermore, the scholarly discourse on Social Media Marketing Campaign Strategies - TikTok and Instagram (Jessie Mou, 2020) corroborates this viewpoint by suggesting that to enhance customer trust, brands should opt for sponsoring KOLs aligned with customers' interests rather than relying on celebrities. A robust expertise enables KOLs to effectively introduce products/services, thereby fostering customer conviction and cultivating trust.

By following proficient KOLs, customers can streamline their search for relevant information, as they are inclined to heed and share the insights offered by these KOLs based on their proven expertise.

Distinguishing themselves from conventional advertisements, numerous KOLs exhibit a balanced evaluation of products/services, highlighting both strengths and weaknesses.

Moreover, esteemed KOLs have the capacity to engender trust among customers, particularly Gen Z, by exuding a sense of warmth that resonates with the younger demographic. Affection, in this context, denotes the inclination towards the charisma, personality, and approachability of KOLs in the eyes of the audience.

Notably, KOLs who exude friendliness, humor, and approachability captivate attention, eliciting admiration and affection from their audience. The depth of affection towards KOLs prompts individuals to engage openly, perceiving them as credible sources worthy of listening and sharing. Customers are inclined to place greater trust in KOLs who possess a blend of popularity and expertise, further solidifying the foundation of trust.

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