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Strategies for Utilizing TikTok in Small and Medium Enterprises' Digital Marketing

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Abstract: This research aims to determine how relevant and engaging content, engagement and interaction, trust and reputation influence the intention to follow or someone's desire to follow a TikTok account as an effective marketing tool for Small and Medium Enterprises (SMEs) in the digital era. Primary data was collected using questionnaires distributed to 95 respondents in DKI Jakarta. The data was analyzed using Structural Equation Modeling (SEM) with Partial Least Squares (SmartPLS 3.0) to test all relationships between content and reputation variables affecting interaction, and whether interaction also affects the intention to follow. The findings of this study provide insights into the strategic use of TikTok for enhancing SME marketing efforts, emphasizing the importance of creating engaging content and building a trustworthy reputation to drive user engagement and following intentions.

Keywords: TikTok Marketing, SMEs, Digital Marketing, User Engagement, Structural Equation Modeling

INTRODUCTION

In the rapidly evolving digital era, information technology and the internet have dramatically transformed the business landscape. Small and Medium Enterprises (SMEs) must adopt effective marketing strategies to remain competitive and expand their reach. One increasingly popular tool with significant potential in digital marketing is TikTok (1). TikTok, a captivating short-video social media platform, has captured the attention of millions of users worldwide. With over 1 billion monthly active users, TikTok has become a sensational phenomenon and a potentially powerful marketing platform for SMEs. However, for marketing strategies on TikTok to succeed, SMEs need to understand the factors that influence someone's intention to follow SME TikTok accounts (2). Previous research has identified several factors that

influence an individual's intention to follow social media accounts. In the context of TikTok, these factors may include Relevant and Engaging Content, Engagement and Interaction, and Trust and Reputation of the Account. First, Relevant and Engaging Content is a crucial factor influencing users' intention to follow TikTok accounts (3). Content that aligns with users' interests and needs has the potential to attract attention and motivate them to follow the account. Visually appealing, informative, or entertaining content can also enhance user engagement and strengthen the bond between users and TikTok accounts. Second, Engagement and Interaction between users and TikTok accounts are key factors influencing one's intention to follow an account. The higher the level of engagement and interaction, the greater the likelihood that users will intend to follow the account. Engagement can occur through comments, participation in challenges, content sharing, or even direct interaction with the account owner (1). Positive and sustained interactions can help build a strong relationship between users and TikTok accounts. Finally, Trust and Reputation of the Account are also essential factors influencing one's intention to follow a TikTok account. Trust built through content quality, honesty, and alignment with users' values can form a positive reputation that influences the intention to follow the account. Users are more likely to follow accounts perceived as credible, trustworthy, and reputable (4).

Although the marketing potential of TikTok for SMEs is very promising, a deep understanding of the factors influencing someone's intention to follow SME TikTok accounts is still limited. Therefore, this research aims to fill this knowledge gap and provide better insights into how SMEs can leverage TikTok as an effective marketing tool. The focus of this study is to investigate the influence of Relevant and Engaging Content, Engagement and Interaction, and Trust and Reputation of the Account on someone's intention to follow SME TikTok accounts. By understanding these factors, SMEs can develop more effective marketing strategies and optimize TikTok usage to expand their reach, enhance brand awareness, and increase user engagement. The findings of this study are expected to significantly contribute to understanding the use of TikTok as an effective marketing tool for SMEs in the digital era. With a better understanding of the factors influencing someone's intention to follow SME TikTok accounts, SMEs can develop more precise strategies to increase user engagement, expand their reach, and enhance their marketing success on TikTok. In an increasingly advanced digital era, SMEs need to adopt effective marketing strategies to expand their reach and increase brand awareness. One of the increasingly popular marketing tools is TikTok, a captivating short-video social media platform. In the context of TikTok marketing for SMEs, previous research has identified several factors that influence someone's intention to follow SME TikTok accounts. These factors are Relevant and Engaging Content, Engagement and Interaction, and Trust and Reputation of the Account.

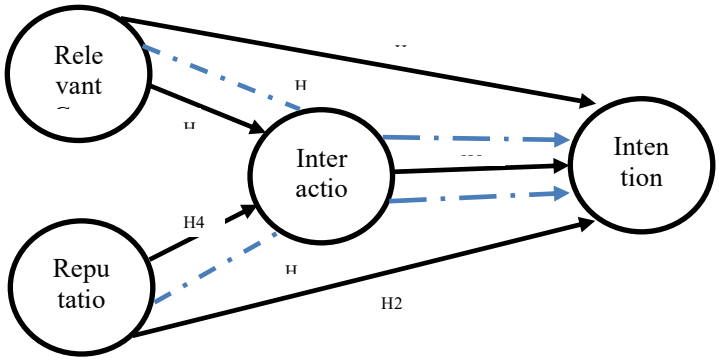


FIGURE 1. Conceptual Framework

Content relevant to users' interests and needs has a significant potential to influence someone's intention to follow a TikTok account. Research by Lin et al. (5) shows that content tailored to users' preferences and depicting experiences that resonate with them is more likely to attract attention and motivate users to follow the account. Visually appealing, informative, and entertaining content also plays a crucial role in attracting users' interest and strengthening the bond with the brand (6). User engagement with TikTok accounts and the interaction that occurs have a significant impact on the intention to follow the account. Research by Chu et al. (7) shows that the higher the level of user engagement and interaction, such as comments, likes, and content sharing, the greater the likelihood that users will intend to follow the account. Active engagement and positive interaction can help build a strong relationship between users and TikTok accounts (8). Trust and reputation of TikTok accounts also play an essential role in influencing someone's intention to follow the account. Research by Thuy et al. (9) shows that users are more likely to follow accounts perceived as credible, trustworthy, and reputable. This trust is built through content quality, honesty, and alignment with users' values. Positive trust and reputation can strengthen the bond between users and TikTok accounts and encourage the intention to follow the account (10) .Overall, previous research has provided important insights into the factors influencing someone's intention to follow SME TikTok accounts. Relevant and engaging content is a primary factor in attracting users' interest, while engagement and interaction play a crucial role in strengthening bonds and building strong relationships between users and TikTok accounts. Additionally, trust and reputation of the account also play a role in influencing users' intention to follow the account. This research attempts to fill the existing gap in previous studies by conducting different research with a different model by adding interaction as a mediating variable. Therefore, a conceptual framework is created to explain the thought process in this research.

METHODS

This explanatory research employs a quantitative approach, utilizing a survey method to investigate the variables in question. The independent variables examined include Perception of Relevant Content and Reputation, with Interaction as the intervening variable and Intention to Follow as the dependent variable.

The population for this study comprises individuals in DKI Jakarta who have followed TikTok accounts. According to Hair et al. (1998) as cited in Aubrey et al. (11) , when the population is unknown, the appropriate sample size ranges from 100 to 200. It is also explained that the minimum sample size should be between 5 and 10 observations per estimated parameter. In this study, with 19 research indicators, the minimum sample size is calculated as 7 times the number of indicators, resulting in 19 x 5 = 95 samples. The sampling technique used in this research is purposive sampling, where samples are selected based on specific criteria. The criteria for sample selection include residents of DKI Jakarta who have followed a TikTok account of a brand or product.

TABLE 1. Operationalization of Variables

No.	Variable	Indicator	Measurement Scale
1	Relevant Content	1. High retention	Likert Scale (1-5)
		2. Positive response to content	

		3. User sentiment	
		4. Taking further actions	
2	Reputation	1. Positive reviews and testimonials	Likert Scale (1-5)
		2. High number of followers	
		3. High engagement rate	
		4. Collaboration with influencers or well-known brands	
		5. Consistency in content and values communicated	
3	Interaction	1. Responsiveness to comments	Likert Scale (1-5)
		2. Collaboration with user influencers	
		3. Initiating challenges	
		4. Live streaming or interactive videos	
		5. Contribution to community	
		6. Contests or giveaways	
		7. Use of duet feature	
4	Intention to Follow	1. Finding content that matches interests	Likert Scale (1-5)
		2. Good quality and creative appeal	
		3. Positive reviews from other followers	

Primary data was collected using questionnaires distributed to 95 respondents in DKI Jakarta. The questionnaire measured respondents' perceptions and intentions regarding following TikTok accounts based on the indicators specified. Responses were recorded using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The collected data was analysed using the Structural Equation Modelling (SEM) approach with Partial Least Squares (PLS) via the SmartPLS 3.0 software. This method was chosen to test all the relationships between the variables, particularly how content and reputation influence interaction, and whether interaction subsequently affects the intention to follow. The SEM-PLS approach is suitable for complex models with multiple constructs and indicators, providing robust and reliable results for the hypothesized relationships.

RESULTS AND DISCUSSION

Convergent Validity testing of the measurement model with reflective indicators is assessed based on the correlation between item scores/component scores and construct scores calculated using PLS. Individual indicators are considered valid if they have a correlation value above 0.70.

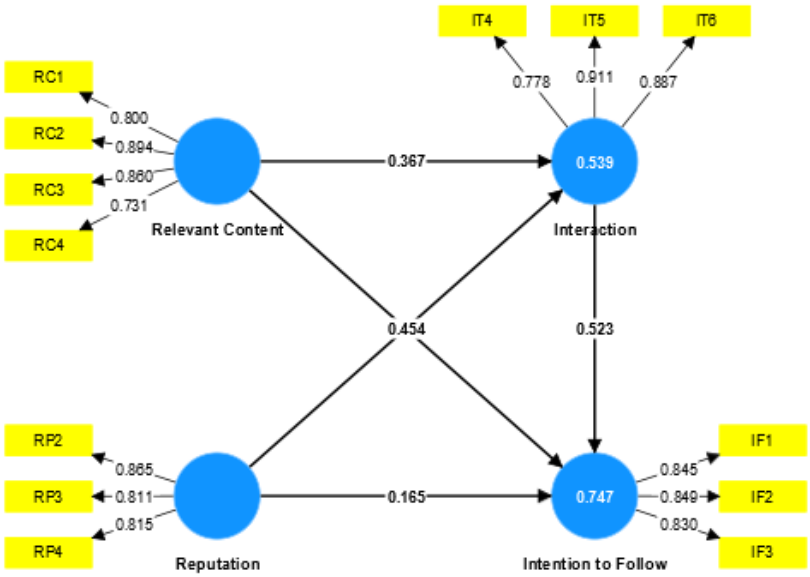


FIGURE 2. PLS Algorithm Outer Model

When the square root of the average variance extracted (AVE) value of each construct is compared to the correlation between the construct and the other constructs in the model, it is said to be a good value.

TABLE 1. Average variance extracted (AVE)

	Average Variance Extracted (AVE)
Intention to Follow	0.708
Interaction	0.741
Relevant Content	0.678
Reputation	0.690

TABLE 2. Fornell-Larcker Criterion

	Intention to Follow	Interaction	Relevant Content	Reputation
Intention to Follow	**0.841**			
Interaction	0.817	**0.861**		
Relevant Content	0.718	0.636	**0.824**	
Reputation	0.687	0.672	0.593	**0.831**

It can be argued that the square root of the Average Variance Extracted (AVE) for each construct exceeds the correlation between one construct and another in the model. Based on the AVE value, the construct in the calculated model meets the discriminant validity criteria. The degree of correlation between one construct and another in the model. Based on the AVE value, the construct in the calculated model meets the discriminant validity criteria.

The structural model reveals that the model on the Intention to Follow variable is strong, with a value greater than 0.747. The model of the influence of independent latent variables (Relevant Content, Reputation, and Interaction) on Intention to Follow yields an R-Square value

of 0.747, indicating that the variability of the Relevant Content, Reputation, and Interaction constructs is 74.7%, with the remainder explained by variables other than those investigated.

TABLE 3. Bootstrapping SEM-PLS

	Original Sample (O)	T Statistics (|O/STDEV|)	Keterangan
Interaction -> Intention to Follow	0.523	5.751	Positive -> Significant
Relevant Content -> Intention to Follow	0.288	4.165	Positive -> Significant
Relevant Content -> Interaction	0.367	4.308	Positive -> Significant
Reputation -> Intention to Follow	0.165	1.851	Positive -> Not Significant
Reputation -> Interaction	0.454	5.869	Positive -> Significant

The results indicate the following:

1. Interaction -> Intention to Follow: The path coefficient from Interaction to Intention to Follow is 0.523 with a T statistic of 5.751, indicating a positive and significant relationship. This suggests that higher levels of interaction significantly enhance the intention to follow TikTok accounts.
2. Relevant Content -> Intention to Follow: The path coefficient from Relevant Content to Intention to Follow is 0.288 with a T statistic of 4.165, showing a positive and significant relationship. This implies that relevant and engaging content significantly increases the intention to follow TikTok accounts.
3. Relevant Content -> Interaction: The path coefficient from Relevant Content to Interaction is 0.367 with a T statistic of 4.308, indicating a positive and significant relationship. This means that relevant content positively influences user interaction on TikTok.
4. Reputation -> Intention to Follow: The path coefficient from Reputation to Intention to Follow is 0.165 with a T statistic of 1.851, showing a positive but not significant relationship. This suggests that while a positive reputation may enhance the intention to follow, its impact is not statistically significant in this study.
5. Reputation -> Interaction: The path coefficient from Reputation to Interaction is 0.454 with a T statistic of 5.869, indicating a positive and significant relationship. This suggests that a good reputation significantly enhances user interaction on TikTok.

The hypothesis testing results reveal significant insights into the relationships between the studied variables. The interaction was found to have a positive and significant effect on the intention to follow TikTok accounts, aligning with findings by Inan et al. (12). This indicates that high levels of user interaction, such as comments, likes, and responses to videos, create emotional bonds that significantly enhance the intention to follow content on TikTok. Similarly, relevant content showed a positive and significant impact on the intention to follow, although contrary to Maulida (13). This suggests that content aligning with users' interests, values, and preferences strengthens their desire to follow the accounts producing such content, thus highlighting the importance of tailored and engaging content for SMEs on TikTok.

Further analysis indicates that relevant content positively influences user interaction, supporting Jia et al. (14) . Content that resonates with users' interests encourages higher engagement levels, such as likes, comments, and shares, fostering a robust interaction loop. Although reputation showed a positive but not significant direct effect on the intention to follow, it had a significant positive impact on user interaction. This suggests that while reputation alone might not drive the intention to follow, it enhances user engagement, which in turn can contribute to building a strong follower base. These findings underscore the importance of creating relevant content and fostering interactions to leverage TikTok effectively as a marketing tool for SMEs, even as reputation plays a supportive role in enhancing user engagement.

These results underscore the importance of user interaction and relevant content in driving the intention to follow SME TikTok accounts. While reputation positively impacts interaction, its direct effect on the intention to follow is not significant. Thus, SMEs should focus on creating engaging content and fostering active user interactions to effectively utilize TikTok as a marketing tool in the digital era.

CONCLUSION

This study explores the utilization of TikTok as a digital marketing tool for SMEs by examining the influence of relevant content, interaction, and reputation on users' intention to follow TikTok accounts. The findings reveal that both interaction and relevant content play critical roles in driving the intention to follow. High levels of interaction, such as comments, likes, and active user engagement, create strong emotional bonds, significantly enhancing users' willingness to follow TikTok accounts. Similarly, content that aligns with users' interests and preferences not only attracts but also retains their attention, reinforcing the importance of tailored and engaging content for SMEs aiming to expand their reach on TikTok.

The study also highlights the nuanced role of reputation. While reputation positively influences user interaction, its direct effect on the intention to follow is not statistically significant. This suggests that although a good reputation enhances engagement levels, it is the quality and relevance of the content, along with active interaction, that ultimately drive users' intention to follow. Therefore, SMEs should prioritize creating engaging and relevant content and fostering interactive relationships with their audience to effectively leverage TikTok as a marketing platform. Future research could explore additional factors influencing user behavior on TikTok to provide a more comprehensive understanding of its potential as a marketing tool for SMEs.

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