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Driving the Digital Economy: The Role of E-Commerce in Marketing Transformation on TikTok in Indonesia

Galih Pratama [1], Firdaus [2], Juma'i [3], Dita Aulia Febriana [4]

Abstract:

This research aims to analyze the role of e-commerce in the digital transformation of marketing with a focus on the TikTok platform in Indonesia. The research uses a quantitative approach with explanatory research methods and involves 100 respondents selected through purposive sampling techniques. The variables studied include customer interaction, personalization, customer experience, and customer behavior. Data were collected through questionnaires and analyzed using the SEM-PLS method on SmartPLS4. The research results show that customer interaction and personalization have a positive and significant impact on customer experience. Additionally, customer experience has a positive and significant impact on customer behavior. Customer interaction also has a positive and significant impact on customer behavior. However, personalization has a positive but not significant impact on customer behavior. This research provides insights into the importance of customer experience in mediating the influence of customer interaction and personalization on customer behavior, as well as serving as a basis for developing more effective digital marketing strategies.

Keywords: *Customer Interaction; Personalization; Customer Experience; Customer Behavior*

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1. Introduction

The rapid development of information technology brings significant changes in various aspects. With the development of technology supporting internet ease for users in running and developing their business activities and ventures. In business, technology is applied in marketing, customer service, and sales where buyers are directly connected with sellers, even if they are in different geographical locations. The survey results from the Indonesian Internet Service Providers Association (APJII) indicate that the number of internet users in Indonesia in 2024 will reach approximately 221 million people out of a total population of more than 278 million people in Indonesia in 2023. This means that the internet penetration rate in Indonesia will reach 79.5% compared to the previous period, showing an increase of 1.4% (Prasetiyo et al., 2024).

[1] *Universitas Muhammadiyah Semarang, Indonesia. galihg436@gmail.com.*
[2] *Universitas Muhammadiyah Semarang, Indonesia.*
[3] *Universitas Muhammadiyah Semarang, Indonesia.*
[4] *Universitas Muhammadiyah Semarang, Indonesia.*

The surge in internet users has triggered an increase in electronic commerce (e-commerce) conducted by business actors ranging from small to large scale. E-commerce is a part of e-business, in other words, the scope of e-business is broader and not just limited to trade but also includes collaboration with business partners, customer service, job vacancies, and more (Basri, 2020). Besides the World Wide Web network technology, e-commerce also requires database technology, email, and other non-computer technologies such as delivery systems and payment tools for e-commerce. According to Ahmadi in Marcel et al., (2018), e-commerce is the activity of buying and selling through the internet network where buyers and sellers do not meet directly, but communicate through internet media. Through e-commerce-based sales systems, it can be used as a medium for promotion, communication, and information in marketing goods worldwide, and of course, it will increase sales results more effectively and efficiently.

The role of e-commerce in recent years has been very significant in terms of marketing, as during the Covid-19 pandemic, everyone had to reduce outdoor activities. With the presence of e-commerce, businesses or trades being conducted can also increase drastically, and this method is more practical compared to having to go to the store directly (Ismai, 2020).



Figure 1. The number of E-commerce users in Indonesia 2018-2027
Source: DataIndonesia.id

Based on the graph in Figure 1, it shows that there has been a continuous increase in e-commerce usage in Indonesia every year. In 2018, or before the occurrence of COVID-19, the number of e-commerce users reached 93.42 million. In 2020, or during the COVID-19 pandemic, the number of e-commerce users increased to 138.09 million. By 2024, the graph shows that the number of e-commerce users will rise again to 208.55 million, and subsequently, the graph predicts that the number of e-commerce users will continue to increase until 2027. This indicates a positive trend in changes in customer behavior.

The advantages and benefits of e-commerce users can be seen from the digital marketing transformation, such as reaching customers worldwide, accelerating and streamlining business processes, serving as a platform for promoting and communicating marketed products and services, and enabling interaction and data/information exchange among various parties, which will minimize human error. However, in this case, there are also drawbacks and weaknesses, such as security

issues, product discrepancies, and the undeniable occurrence of unexpected losses for e-commerce users (Rony et al., 2023).

In today's digital era, digital marketing transformation has become crucial for businesses to compete in an increasingly competitive market (Nofiani & Mursid, 2021). In the world of marketing, digital transformation has a significant impact on businesses, both in terms of consumer behavior and the business models being implemented. Changes in consumer behavior require businesses to adapt quickly in order to remain relevant in the market. In addition, digital transformation can also enable businesses to achieve efficiency and innovation in their operations. Digital transformation is very important in the process of change within organizations or businesses in utilizing digital technology to enhance the value for customers and stakeholders comprehensively (Widnyani et al., 2021). Digital transformation can also change the way businesses operate, including in management, operations, and marketing.

E-Commerce has opportunities in digital marketing transformation, one of which is video marketing through the use of platforms like TikTok that provide creative opportunities to reach a larger audience, in addition to TikTok as a social media platform that functions to watch short videos, a place for self-expression, and also a source of information among customers (Uva et al., 2024). In 2023, the TikTok E-Commerce platform was closed due to the TikTok shop receiving both positive and negative comments from traders selling in the market as well as consumers (Mega Ivana et al., 2023). However, in 2024, the TikTok platform collaborated with Tokopedia for product marketing through content and live sessions conducted by traders on the TikTok platform. This is reinforced by the large number of TikTok platform users in Indonesia, according to We Are Social data, the number of TikTok users in Indonesia has reached 126.83 million as of January 2024. In this case, we can observe consumer behavior towards the TikTok platform (Riyanto., 2023).

Customer behavior is an activity directly related to the acquisition, consumption, and use of products or services. Customer behavior is also the study of individuals, groups, and organizations that choose, buy, use, and find goods, services, ideas, or experiences to satisfy customer desires and needs (Juliana, 2023). Customer behavior also includes the decision-making process to evaluate, acquire, and use goods and services. Customer behavior reflects the search for purchasing, using, evaluating, and improving their products and services (Saputra et al., 2021). Previous research has discussed customer behavior, but there are still differences in research findings. In the study by (Ardani et al., 2024) titled "Analysis of Consumer Experience, Consumer Trust, and Product Quality on Consumer Behavior in TikTok Shop," it is stated that the variables of consumer experience, consumer trust, and product quality significantly influence consumer behavior. Furthermore, the study by (Moehadi et al., 2024) titled "The Role of E-Commerce and Lifestyle in Determining Consumer Behavior" states that E-Commerce and lifestyle have a significant positive influence on consumer behavior. Customer behavior can be influenced by several factors, including psychological, social, and cultural factors. According to (Rahmawati & Arifin, 2022), it shows that customer behavior in e-commerce in Indonesia is

influenced by price perception, product quality, and the ease of the payment system. Hapsari et al., (2020) also found that emotional factors and information quality influence purchasing decisions in customer behavior on e-commerce.

Customer experience encompasses all activities and interactions that customers have with the company, from the pre-purchase stage to the post-purchase stage (Rahman et al., 2023). This includes dimensions such as product safety, customer service, product quality, brand communication, and response to customer feedback (Fatmawati et al., 2016). In the context of manufacturing, customer experience is also related to the integration of products with digital technology, maintenance, and efficient technical support (Gunawan et al., 2017). Moreover, technological advancements such as the Internet of Things (IoT), big data analytics, and artificial intelligence have enabled manufacturing companies to collect and analyze customer data in greater detail, and to provide a more personalized and relevant experience (Wijaya et al., 2021). Therefore, research on customer experience in e-commerce has become increasingly important in understanding the changing dynamics of marketing today. Customer experience is very important in determining customer behavior. According to research conducted by (Rizan et al., 2020) positive experiences during purchases through e-commerce platforms in Indonesia can directly influence purchasing decisions. Consumers who have a satisfying shopping experience tend to leave positive reviews that can strengthen the brand image (Japutra et al., 2020).

Customer interaction plays an important role in e-commerce because with it, the buying and selling process can run effectively. With customer interaction, strong relationships can be built between sellers and their customers. Through effective interaction, companies can better understand the needs, preferences, and expectations of customers, thereby creating positive and relevant services. According to Kotler and Keller (2016), good interactions can create superior customer experiences, which in turn lead to higher customer satisfaction and the potential for word-of-mouth recommendations. As technology advances, these interactions are no longer limited to face-to-face contact but extend to various digital platforms, such as social media, email, and chatbots, allowing companies to stay connected with customers more dynamically (Setiawan et al., 2024). Intense customer interaction with company services enhances positive experiences and ultimately increases customer loyalty (Hapsari et al., 2020). According to (Iqbal, 2020), it is explained that good interactions between consumers and companies, whether directly or through social media, build strong engagement and increase consumer trust.

Personalization is very important in introducing and getting closer to customers through online media. According to (Albashrawi & Motiwalla., 2015), personalization includes adjusting the user interface and images to meet the individual needs of each user (Mujitahid., 2022). Personalization increases adoption and maintains the sustainable use of information technology. There are various benefits generated through personalization carried out by entrepreneurs, such as building good relationships with customers, enhancing customer experience, increasing sales, capturing customer attention, and so on. Personalization in e-commerce can enhance product relevance for consumers and strengthen the relationship between the company

and customers (Molinillo et al., 2020). Pandey et al., (2020), found that personalization based on previous purchase data makes customers feel valued, thereby increasing loyalty (Quach et al., 2020), added that data-driven personalization strategies in marketing can enhance customer engagement in Indonesia.

In recent years, many studies have been conducted on how consumer interaction and personalization impact consumer behavior. Some studies show that the implementation of personalization and good interaction between companies and customers can positively affect customer behavior, such as increasing loyalty and purchase decisions. One example is the research by (Smith et al., 2021), which found that customer satisfaction increased with more personal interactions, which in turn increased the likelihood of them purchasing products again. Additionally, research by (Gupta & Simmons., 2021) found that.

However, other research produced conflicting findings. A study conducted by (Lee & Kim., 2022) found that although more personal interactions are expected to enhance customer relationships, there is not always a significant relationship between personalization and customer behavior, especially in e-commerce. The results of this study indicate that other variables, such as price and product quality, may be more dominant in influencing purchasing decisions than personalization or the interactions carried out.

Therefore, further research is still needed to determine the extent of this component's influence on customer behavior, as well as the conditions or contexts that may affect these findings. By using customer experience variables as mediators, further research is required to identify the factors that influence the success of customer interactions and personalization in affecting customer behavior across various industries.

In this study, an understanding of the Role of E-Commerce in Digital Marketing Transformation will be presented, involving the variables of customer interaction, personalization, customer experience, and customer behavior. This research formulation refers to the Role of E-Commerce in Digital Marketing Transformation on the TikTok platform in Indonesia.

2. Theoretical Background

Customer Interaction: In the concept of digital marketing transformation, customer interaction refers to all forms of communication and engagement between the company and customers across various channels, such as face-to-face, social media, email, and other digital platforms. Companies that implement AI technology and chatbots in customer service have increased customer satisfaction and service efficiency (Li & Zhang, 2021).

Personalization: Personalization in digital transformation serves as a marketing and service strategy that tailors products, services, or communications to individual customer preferences. This is reinforced by the development of AI technology and data analytics, allowing businesses to present more relevant content, product

recommendations, and interactions to customers, which increases customer engagement and conversion (Broklyn et al., 2024).

Customer Experience: Customer experience is defined as the perception of customers regarding their interactions with a brand or business throughout the purchasing journey. A positive customer experience increases customer loyalty and retention, which ultimately impacts the company's profitability. Customer experience encompasses various elements, including customer service, digital interactions, product quality, and the emotional factors felt by customers during the purchase and use of products or services (Maniati, 2024).

Customer Behavior: Customer behavior is the study of how individuals, groups, or organizations choose, buy, use, and dispose of products or services to meet their needs. Recent research shows that digital transformation has a significant impact on consumer behavior, especially in the context of e-commerce. The study conducted by Shabbir et al., (2025) found that digitalization not only enhances the trend of online shopping but also strengthens customer loyalty towards certain brands. Consumers are increasingly aware of various digital tools and prioritize security and convenience in online transactions.

The research conducted by (Lemon & Verhoef., 2020) states that customer interaction has a positive and significant impact on customer experience. This finding is consistent with the research conducted by (Heriyanto & Tanjung., 2021), which states that customer interaction has a significant impact on customer experience.
H_1: Customer interaction has a positive and significant effect on customer experience

The research conducted by (Pantano et al., 2021) states that personalization has a positive and significant impact on customer experience. This research aligns with the study conducted by (Setiawan & Wibowo., 2020), which also states that personalization has a positive and significant impact on customer experience.
H_2: Personalization has a positive and significant effect on customer experience

The research conducted by (Homburg et al., 2021) states that customer experience has a positive and significant impact on customer behavior. This research aligns with the study by Rahmawati & Santoso (2020), who also stated that customer experience has a positive and significant impact on customer behavior.
H_3: Customer experience has a positive and significant effect on customer behavior

The research conducted by (Bolton et al., 2021) states that customer interaction has a positive and significant impact on customer behavior. In another study, there is a similar finding that states customer interaction has a positive and significant impact on customer behavior. (Pratama & Nugroho., 2022).
H_4: Customer interaction has a positive and significant effect on customer behavior

The research conducted by (Lee & Lee., 2020) states that personalization has a positive and significant impact on customer behavior. This research is in line with the study conducted by (Sari & Yusra., 2021), which states that personalization has a positive and significant impact on customer behavior.
H_5: Personalization has a positive and significant effect on customer behavior

3. Methodology

This research uses a quantitative method with the type of explanatory research. According to (Sugiyono., 2013), in the research (Handayani et al., 2024), explanatory research is a study that explains the position between the variables being examined and the relationship between one variable and another through the testing of formulated hypotheses. The population in this study consists of Tiktok e-commerce users in Indonesia who have made purchases and interacted using Tiktok e-commerce, with the sample size being the number of indicators multiplied by a range of 1-10 (Hair et al., 2020). In this study, the sample used consists of 13 indicators multiplied by 8, resulting in 104, and the estimated sample size is 100 respondents. The sampling technique used in this study is purposive sampling. Purposive sampling is a subjective data collection method, and the criteria for respondents in this study are as follows: (1) Minimum age of 18 years, (2) Users of Tiktok e-commerce in Indonesia, (3) Users in Indonesia who have purchased products on Tiktok e-commerce at least once in the last 3 months. The data obtained were collected using a 1-5 Likert scale questionnaire. The variables along with the indicators used in this research are as follows: Customer interaction variable: (1) interaction frequency, (2) interaction quality, and (3) interaction satisfaction (Sashi, 2012). Personalization variable: (1) customer interest, (2) customer fit, and (3) customer attention (Santoso, 2013). Customer experience variable: (1) sensory experience, (2) emotional experience, (3) cognitive experience, and (4) relational experience (Pentina et al., 2011). Customer behavior variable: (1) repurchase, (2) customer satisfaction, and (3) customer loyalty. (Hellier et al., 2003). Data processing using SEM-PLS. The selection of SEM-PLS as a data analysis tool is based on the following reasons according to (Hair et al., 2019) : 1.) for analyses related to testing theoretical frameworks, 2.) complex structural models that encompass various constructs, indicators, and/or relationship models, 3.) to explore the development of theory from existing theories in previous research, 4.) sample size limitations.

4. Empirical Findings/Result

Instrument Test

Validity Test based on Outer Loading

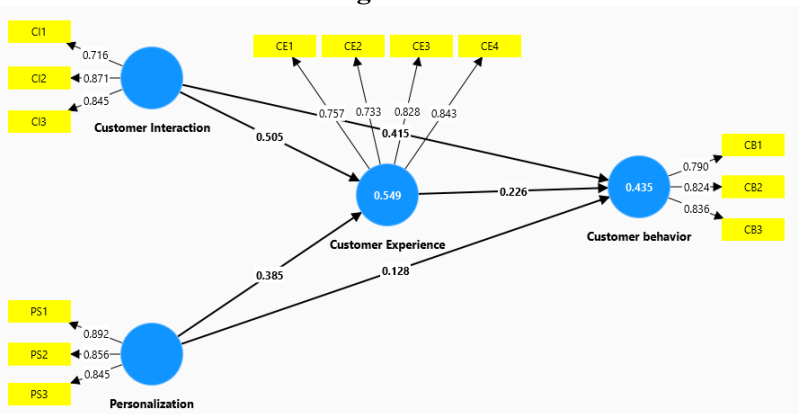


Figure 2. Full Model Results

Outer Loading Matrix

Table 1. Results of the External Load Matrix Test

Variable	Customer Interaction	Personalization	Customer Experience	Customer Behavior
Interaction frequency	0.716			
Interaction quality	0.871			
Interaction satisfaction	0.845			
Customer interest		0.892		
Customer fit		0.856		
Customer intention		0.845		
Sensory experience			0.757	
Emotional experience			0.733	
Cognitive experience			0.828	
Relational experience			0.843	
Repurchase				0.790
Customer satisfaction				0.824
Customer loyalty				0.836

Source: Data processed by SEM PLS (2024)

The convergent validity test is used to assess the extent to which theories can jointly explain the variability of an indicator. The convergent validity test is measured through the outer loading parameter. If the outer loading value > 0.7, then convergent validity is considered achieved and declared valid (Alifia & Rafik, 2024). Based on the outer loading validity test results above, it can be seen that all loading values > 0.7. This indicates that the data has met the validity requirements based on the loading values.

Validity Testing based on AVE and Reliability Testing based on CR and CA

Table 2. Validity Test Results

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customer Interaction (X_1)	0.747	0.781	0.854	0.662
Personalization (X_2)	0.831	0.833	0.899	0.747
Customer Experience (Z)	0.800	0.806	0.870	0.626
Customer Behavior (Y)	0.752	0.760	0.857	0.667

Source: Data processed by SEM PLS (2024)

The AVE value is considered adequate if the minimum value obtained is > 0.5 (Hair et al., 2019). Based on the data analysis results above, all AVE values are more than 0.5, indicating that the data is valid and has met the validity criteria according to the

AVE standard. Then, for reliability testing, according to (Hair et al., 2020), CA and CR are considered valid if their values are > 0.7. Based on the test results above, all variables meet the validity criteria according to CA and CR, as they have values > 0.7.

Fornell - Larcker Criterion Test

Table 3. Result of The Fornell - Larcker Criterion Test

	Customer Experience	Customer Interaction	Customer Behavior	Personalization
Customer Experience	0.791			
Customer Interaction	0.649	0.814		
Customer Behavior	0.569	0.610	0.817	
Personalization	0.574	0.374	0.413	0.864

Source: Data processed by SEM PLS (2024)

The Fornell-Larcker Criterion test is used to measure discriminant validity by comparing the square root of the Average Variance Extracted (AVE) of each construct with the correlation to other constructs. Discriminant validity is considered fulfilled if the square root of the AVE for each construct is greater than the correlation between that latent construct and other latent constructs (Hamid et al., 2017). Based on the above data, it is evident that the square root of the AVE for all variables is greater than the correlation between constructs, thus it can be stated that discriminant validity for all these variables has been fulfilled.

Significance Test (Hypothesis) Influence (Bootstrapping) (Inner Model)

Table 4. Results of the Significance Test (Hypothesis) Influence (Bootstrapping) (Inner Model)

Variable	Original sample (o)	Sample mean (M)	Standard deviation (STDEV)	T statistic (|O/STDEV|)	P values
Customer Interaction -> Customer Experience	0.505	0.507	0.094	5.371	0.000
Personalization -> Customer Experience	0.385	0.392	0.094	4.086	0.000
Customer Experience -> Customer Behavior	0.266	0.217	0.115	1.969	0.049
Customer Interaction -> Customer Behavior	0.415	0.423	0.090	4.630	0.000
Personalization -> Customer Behavior	0.128	0.137	0.084	1.525	0.127

Source: Data processed by SEM PLS (2024)

- Customer interaction (X1) has a positive effect on customer experience (Z) with a coefficient value of 0.505 and is significant with a p-value of 0.000.
- Personalization (X2) has a positive effect on customer experience (Z) with a coefficient value of 0.385 and is significant with a p-value of 0.000.
- Customer experience (Z) has a positive effect on customer behavior (Y) with a coefficient value of 0.266 and is significant with a p-value of 0.049.
- Customer interaction (X1) has a positive effect on customer behavior (Y) with a coefficient value of 0.415 and is significant with a p-value of 0.000.
- Personalization (X2) has a positive effect on customer behavior (Y) with a coefficient value of 0.128 but is not significant with a p-value of 0.127.

R-Square

Table 5. R-Square Test Result

Variable	R-square	R-square adjusted
Customer Behavior (Y)	0.435	0.417
Customer Experience (Z)	0.549	0.540

Source: Data processed by SEM PLS (2024)

It is known that the R-square value for customer behavior (Y) is 0.435, which indicates that the variables customer interaction (X1) and personalization (X2) together can influence customer behavior by 43.5%. Additionally, the R-square value for customer experience (Z) is 0.549, which means that customer interaction (X1) and personalization (X2) also contribute to influencing customer experience by 54.9%.

Mediation Analysis

Table 6. Results of the Mediation Test

Variable	Original sample (o)	Sample mean (M)	Standard deviation (STDEV)	T statistic (|O/STDEV|)	P values
Customer Interaction -> Customer Experience -> Customer Behavior	0.114	0.110	0.062	1.867	0.068
Personalization -> Customer Experience -> Customer Behavior	0.087	0.085	0.050	1.754	0.079

- Customer interaction (X1) has a positive effect on customer behavior through customer experience with a coefficient value of 0.114, but it is not significant with a p-value of 0.068 > 0.05.
- Personalization (X2) has a positive effect on customer behavior through customer experience with a coefficient value of 0.087, but it is not significant with a p-value of 0.079 > 0.05.

5. Discussion

This research involves 100 respondents with various characteristics, designed to provide a representative picture of the impact of digital marketing and e-commerce generated by TikTok. Of the 100 respondents, 49% are female and 51% are male, showing a balance between the two genders, so the research findings can reflect the views of both groups on the use of TikTok and e-commerce. Based on age, 39% of respondents aged 18-25 are the younger group who are more active in using social media, especially TikTok, and shopping online for personal and lifestyle needs. 30% of respondents aged 26-30 are the adult group who are more established in their careers or education and are more likely to engage with digital marketing. 19% of respondents aged 31-35, who have more experience using social media and TikTok, tend to be more cautious in online shopping but still engage in e-commerce. The age group above 35, which constitutes 12% of the sample, represents the use of TikTok by adults, who are more selective in interacting with advertisements and shopping online.

In terms of occupation, 39% of respondents work as professional employees, either in government or private companies, earning a steady income and actively interacting with brands on TikTok. Meanwhile, 29% of respondents are entrepreneurs or freelancers, who are more involved in digital marketing to sell their goods or services on TikTok and conduct online transactions. As many as 19% of respondents are students, who use TikTok for entertainment and interact with marketing content that is age-appropriate, as well as purchase goods online for personal needs. Finally, 13% of the respondents work in other fields, such as doctors or part-time workers, who are still involved in TikTok and e-commerce, albeit in smaller proportions. Overall, the respondents of this study are active TikTok e-commerce users, providing a comprehensive picture of how age, gender, and job background can influence their interactions with digital platforms and consumer behavior in the context of digital marketing.

The Influence of Customer Interaction on Customer Experience

The test results show that the customer interaction variable has a positive and significant impact on customer experience. This indicates that when customers continuously interact on the TikTok platform, a customer experience is formed on that platform. Through effective interaction, the company can better understand the needs, preferences, and expectations of customers, thereby creating positive and relevant services. This is supported by the presence of indicators such as interaction frequency, interaction quality, and interaction satisfaction, and is in line with the research conducted by (Heriyanto & Tanjung, 2021).

The research explains that the customer interaction variable has a positive and significant impact on customer experience in the retail industry in Indonesia. This is formed by having good communication between customers and the company. It can be concluded that if the TikTok platform has good and positive interactions with customers, then customers will experience an excellent experience.

The Influence of Personalization on Customer Experience
Based on the results obtained, it shows that the personalization variable has a positive and significant impact on customer experience. This means that the more often the TikTok platform personalizes for customers, the more positive experiences the customers will have. The TikTok platform receives a boost from indicators such as customer interest, customer fit, and customer attention. Companies can strengthen personalization for customers by building good relationships, enhancing experiences, increasing sales, and capturing customer attention. This is in line with the research conducted by (Rahmawati & Arifin, 2022).

The research states that emotions and cognition driven by personalization relationships have been found in the online context. Customers prefer personalized offers or advertisements tailored to their activities. This occurs on the TikTok platform, where customers typically find products they desire through short videos in the form of advertisements or promotions on that platform. It can be concluded that if the TikTok platform personalizes for customers by aligning with their desires, customers will have a great experience with the company.

The Influence of Customer Experience on Customer Behavior
The test results show that the customer experience variable has a positive and significant influence on customer behavior. The more interactions and positive experiences customers have, the more it affects their behavior, including purchase interest, satisfaction, and loyalty towards the TikTok platform. The approach to customer experience indicators, such as sensory experience, emotional experience, cognitive experience, and relational experience, will serve as benchmarks for purchases on an e-commerce platform. This is in line with the research conducted by (Ardani et al., 2024).

The research explains that customer experience can influence customer attitudes when purchasing products or services. This is very important because it can affect the willingness to repurchase products or services and even recommend them to friends or others. It can be concluded that when customers have a positive experience using the TikTok platform, it increasingly influences customer behavior in terms of customer satisfaction, promotion, and loyalty towards the TikTok platform.

The Influence of Customer Interaction on Customer Behavior
Based on the results of the tests conducted, the customer interaction variable shows a positive and significant influence on customer behavior. In this variable relationship, a situation occurs where positive and good customer interaction will result in loyal customer behavior towards the TikTok platform. Customer interaction becomes important when making a purchase on the TikTok platform because it can influence high purchase interest, as well as generate customer satisfaction and build strong loyalty to the TikTok platform. This is in line with the research conducted by (Pratama & Nugroho, 2022).

In this case, customer interaction with the TikTok platform becomes an important factor in influencing customer behavior itself. If the frequency of interaction, the

quality of interaction, and the satisfaction of interaction provided by the TikTok platform to customers are good, then customer interaction can directly influence the attitudes or behaviors of those customers. It can be concluded that when the interaction is good and positive, the customers' behavior will also be positive towards the TikTok platform.

The Influence of Personalization on Customer Behavior

The test results indicate that the personalization variable has a positive but not significant effect on customer behavior. This means that personalization, such as increasing positive interactions, boosting sales, and enhancing customer experience, positively influences customer behavior, but its impact is not significant enough to make it a determining factor. These results are not in line with the research conducted by (Sari & Yusra., 2021), which stated that personalization has a positive and significant impact on customer behavior.

In this study, different results were found compared to previous research. This could happen because the personalization variable is not the strongest factor to significantly influence customer behavior. It can be concluded that the interest, relevance, and attention given by the TikTok platform to customers do not significantly influence customer behavior in terms of repeat purchases, purchase satisfaction, and purchase loyalty.

The Influence of Customer Interaction on Customer Behavior through Customer Experience as Mediation

The results of the tests conducted show that customer interaction has a positive but not significant influence on customer behavior with customer experience as mediation. These findings indicate that although good customer interaction can encourage customer behavior towards a more positive direction, its influence is not strong enough with the presence of customer experience. In other words, the presence of customer experience as a mediator does not sufficiently strengthen the relationship between customer interaction and customer behavior in the context of this study. This may indicate that other factors might be more dominant in influencing that relationship or that customer interaction requires a more intensive approach to produce a significant impact on customer behavior.

The Influence of Personalization on Customer Behavior through Customer Experience as an Intervening Variable

The results of the tests conducted show that personalization has a positive but not significant effect on customer behavior with customer experience as a mediator. This means that the higher the level of personalization applied, the greater the potential for an increase in customer behavior. However, the influence is not significant, indicating that personalization, although important, is not sufficient to directly and significantly affect customer behavior when customer experience becomes a mediating factor. In other words, although personalization can provide a positive contribution, there are other factors that may be more dominant in shaping customer behavior through customer experience.

6. Conclusions

In the context of e-commerce and its influence on digital transformation in marketing, the role of platforms like TikTok in Indonesia has become increasingly significant. TikTok, as one of the fastest-growing social media platforms in the country, is revolutionizing how businesses engage with customers and market their products. This is particularly important for the digital transformation of marketing, where traditional methods are being supplemented or replaced by more interactive, personalized, and technology-driven approaches.

E-commerce platforms, especially on TikTok, play a pivotal role in shaping consumer behavior by leveraging short-form video content, live streaming, and targeted advertising to enhance customer interaction. TikTok's algorithm allows businesses to reach potential customers based on interests, behaviors, and past interactions, which not only enhances personalization but also facilitates more efficient customer targeting. This personalized approach is crucial in e-commerce, where capturing and maintaining customer attention is vital in a crowded and competitive marketplace like Indonesia.

One key aspect of this transformation is the shift toward experiential marketing. Traditional marketing often focused on product features or pricing, but in the era of digital transformation, marketing on platforms like TikTok is about creating memorable, engaging, and interactive experiences. Brands in Indonesia are using TikTok's video-centric content to tell stories, highlight user-generated content, and even conduct live-streaming shopping events that encourage real-time interaction and purchasing. This not only enhances customer interaction but also plays a role in building stronger brand loyalty, particularly among younger, tech-savvy generations who are more inclined to engage with content on platforms like TikTok.

The role of e-commerce on TikTok in Indonesia also ties directly into social commerce a trend where e-commerce is increasingly integrated with social media platforms, allowing users to shop directly through the app. TikTok's features, such as shoppable posts and integration with e-commerce platforms, enable businesses to facilitate seamless shopping experiences within the app itself. This level of integration between social interaction and purchasing behavior is transforming how customers shop and discover new products, making it an essential part of the digital marketing transformation.

Furthermore, data-driven insights play a central role in shaping marketing strategies on TikTok. Businesses can track customer behavior, such as how users interact with videos, what type of content they engage with, and how this translates into purchasing decisions. These insights are valuable for businesses looking to refine their strategies and offer more targeted, personalized experiences. For e-commerce companies in Indonesia, TikTok offers an opportunity to engage with a wide range of audiences by creating dynamic and interactive campaigns that go beyond traditional advertising.

In conclusion, TikTok is not only a social media platform but also a powerful e-commerce tool that plays a critical role in the digital transformation of marketing in Indonesia. By blending social engagement with shopping capabilities, TikTok is

reshaping how businesses approach customer interaction and personalization. This digital transformation opens up new avenues for e-commerce platforms to reach customers in more direct, personalized, and engaging ways, ultimately enhancing customer experience and influencing customer behavior in the Indonesian market. Through TikTok, businesses are able to adapt to the changing landscape of marketing by leveraging technology to create interactive, immersive, and personalized experiences that drive both customer satisfaction and sales.

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