

The Influence of Social Media Engagement and Paylater Service on TikTok Shop Customer Loyalty in Bali

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Abstract

Alongside the growing use of Buy Now Pay Later (Paylater) payment systems, social commerce platforms like TikTok Shop have expanded due to Indonesia's fast development of digital technology. The purpose of this study is to investigate the partial and simultaneous effects of Paylater services and social media involvement on customer loyalty among Bali TikTok Shop customers. A quantitative approach with a survey method was employed, using purposive sampling to collect data from 110 respondents who were active TikTok users, had made purchases through TikTok Shop, resided in Bali, and had used Paylater services. Data were analyzed using multiple linear regression with SPSS 27. The results show that social media engagement has a positive and significant effect on customer loyalty ($t = 9.547$, $p < 0.001$), and Paylater services also have a positive and significant effect on customer loyalty ($t = 4.981$, $p < 0.001$). Simultaneously, both variables significantly influence customer loyalty ($F = 64.390$, $p < 0.001$), with a coefficient of determination (R^2) of 0.546, indicating that 54.6% of the variation in customer loyalty is explained by social media engagement and Paylater services, while the remaining 45.4% is explained by other factors outside the model. These findings confirm that stronger social media interaction and more convenient, flexible Paylater payment features jointly contribute to higher customer loyalty toward TikTok Shop in Bali.

Keywords: Social media engagement, Paylater, customer loyalty, TikTok Shop, Bali

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INTRODUCTION

The development of digital technology in Indonesia has increased very rapidly, particularly in the use of social media as a means of communication, entertainment, and economic activity, such as the TikTok application. This high penetration of TikTok shows that the platform does not only function as an entertainment medium, but has also developed into a means of social interaction and digital commerce, or social commerce. Social media engagement is the level of user involvement shown through active interactions such as commenting, liking, sharing content, and participating in a brand's digital activities (Cheung et al., 2021). Furthermore, Dwivedi et al. (2021) explain that high user engagement on social media can strengthen the relationship between consumers and brands, thereby increasing customer loyalty.

In addition to the engagement factor, the development of digital payment systems has also become an important element in Indonesia's e-commerce

ecosystem. One service that has experienced significant growth is Paylater, or Buy Now Pay Later (BNPL). In 2025, approximately 30% of Indonesian internet users were recorded as using Paylater service, with transaction values reaching tens of trillions of rupiah and more than 20 million active accounts (Jakpat, 2025). The ease of use and payment flexibility offered by Paylater service can increase consumer satisfaction in online shopping (Sari et al., 2023). Customer loyalty is one of the important factors that determines the sustainability and success of a company in facing increasingly intense business competition.

Customer loyalty is a customer's commitment to consistently continue using a particular product or service in the long term, despite various alternatives offered by competitors (Dam and Dam, 2021). At the regional level, Bali Province is an area with a relatively high level of internet penetration and social media use compared to the national average. Various previous studies have discussed the influence of social media engagement on customer loyalty, as well as the influence of Paylater service on consumer behavior. However, most of these studies were conducted on conventional marketplaces or e-commerce platforms in general. Research that specifically examines the influence of social media engagement and Paylater service on customer loyalty on the TikTok Shop platform, particularly in Bali Province, is still relatively limited. Therefore, this research is important to provide a deeper understanding of the factors that influence TikTok Shop customer loyalty in Bali.

LITERATURE REVIEW

Relationship Marketing Theory

According to Kotler, Keller, and Chernev (2021), Relationship marketing is a marketing strategy that focuses on establishing, growing, and preserving long-term, mutually beneficial connections between a firm and its clients as well as other parties involved in its operations. Relationship marketing is a marketing approach that concentrates on establishing enduring connections between a business and the different stakeholders engaged in business operations, such as affiliates, business partners, employee advocates, influencers, and customers who offer recommendations.

Technology Acceptance Model (TAM)

This model states that the level of user acceptance of technology is influenced by users' perceptions and attitudes toward that technology. TAM is widely used in information systems, digital marketing, and e-commerce research because it can explain user behavior in accepting technological innovation.

Sosial Media Engagement

SME is a concept that explains the level of user involvement in interacting with a brand, company, or digital platform through social media. According to Lim and Rasul (2022), social media engagement is the level of consumer involvement – cognitively, emotionally, and behaviorally – when interacting with a brand or company through social media. According to Dessart (2017), indicators of social media engagement include Cognitive Engagement, Emotional Engagement, and Behavioral Engagement.

Paylater Service

Paylater service is an innovation in financial technology (fintech) that makes it easier for consumers to make purchase transactions without having to make payment directly at the time the transaction takes place. According to Guttman-Kenney, Firth, and Gathergood (2022), Buy Now Pay Later is a digital financing service that allows consumers to obtain goods or services first and pay later. Meanwhile, Aalders (2022) explains that Paylater is a form of short-term digital credit designed to provide consumers with easy access to financing through a fast and simple process. Based on research by Filotto et al. (2024) and various studies on Buy Now Pay Later (BNPL), Paylater service can be measured through several indicators, such as Ease of Use, Transaction Speed, Payment Flexibility, Security and Trust, and Credit Limit Availability.

Customer Loyalty

According to Kotler, Keller, and Chernev (2021), customer loyalty is a customer's strong commitment to consistently continue purchasing or using a particular product or service in the future, despite various alternatives offered by competitors. Loyalty is shown not only through repeat purchases, but also through recommendations to others (Hollebeek and Macky, 2022). According to Kotler, Keller, and Chernev (2021), customer loyalty can be measured through several indicators, such as Repeat Purchase, Customer Retention, Recommendation to Others, and Resistance to Competitor Offers.

METHODOLOGY

The sampling technique used was purposive sampling, with respondent criteria adjusted to the research objectives. The research instrument was designed using a Likert scale to measure respondents' perceptions of each variable studied. This research was conducted in Bali Province, with the research object being TikTok Shop users domiciled in Bali. All TikTok Shop users who live in Bali Province and have made purchases through TikTok Shop make up the study's demographic. A portion of the population chosen to reflect the population's general characteristics is known as the research sample.

Given that the exact size of the TikTok Shop user population in Bali Province is unknown, the determination of the sample size in this study refers to the opinion of Hair et al. (2019), who state that the minimum sample size in quantitative research is 5-10 times the number of research indicators. This study has 11 indicators, so the sample size used is 110 respondents. The sample criteria in this study include:

1. Active users of the TikTok application.
2. Have made a purchase through TikTok Shop.
3. Domiciled in Bali.
4. Have used Paylater service.

RESULTS AND DISCUSSION

Validity Test

Table 1. Validity Test

Variable	r	r
	0,648	0,1874
Social Media Engagement (X1)	0,650	0,1874
	0,585	0,1874
	0,578	0,1874
	0,587	0,1874
	0,621	0,1874
	0,603	0,1874
Paylater Service (X2)	0,614	0,1874
	0,598	0,1874
	0,641	0,1874
	0,629	0,1874
	0,612	0,1874
	0,607	0,1874
Customer Loyalty (Y)	0,655	0,1874
	0,668	0,1874
	0,672	0,1874
	0,645	0,1874
	0,631	0,1874
	0,620	0,1874
	0,618	0,1874
	0,609	0,1874

Based on the validity test results in the table above, it is known that all statement items have an r-count value greater than the r-table value of 0.1874. Thus, all statement items for the three variables are declared valid and suitable for use as research instruments.

Reliability Test

Table 2. Reliable Test

Variable	Cronbach's Alpha	Reliability Standard	Description
Social Media Engagement (X1)	0.897	0.70	Reliable
Paylater Service (X2)	0.897	0.70	Reliable
Customer Loyalty (Y)	0.897	0.70	Reliable

Using SPSS 27, the Cronbach's Alpha reliability test produced a coefficient of 0.897, exceeding the established reliability benchmark of 0.70. These results indicate that all variables in the study meet the criteria for reliability.

Normality Test

Table 3. Normality Test (Shapiro-Wilk)

One-Sampel Kolmogorov-Smirnov Test		
		UR
N		110
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.80861069
MED	Absolute	.068
	Positive	.068

TotalX2	.273	.055	.327	4.981	.000
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The Effect of Social Media Engagement (X1) on Customer Loyalty (Y)

According to the test results, the Social Media Engagement (X1) variable has a significant value of <0.001 (<0.05) and a computed t-value of 9.547, which is higher than the t-table value of 1.982. The regression coefficient is positive at 0.498, indicating a unidirectional relationship between Social Media Engagement and Customer Loyalty. Thus, H_0 is rejected and H_a is accepted, meaning that Social Media Engagement (X1) has a positive and significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali.

The Effect of Paylater Service (X2) on Customer Loyalty (Y)

The Paylater Service (X2) variable received a computed t-value of 4.981 based on the t-test findings, which is higher than the t-table value of 1.982 and has a significance value of <0.001 (<0.05). The regression coefficient is positive at 0.273, indicating a unidirectional relationship between Paylater Service and Customer Loyalty. Thus, H_0 is rejected and H_a is approved, indicating that Paylater Service (X2) significantly and favorably affects TikTok Shop's Customer Loyalty (Y) in Bali.

Simultaneous Test (F-Test)

Table 7. Simultaneous Test (F-Test)

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	429.126	2	214.563	64.390	.000b
	Residual	356.547	107	3.332		
	Total	785.673	109			

The F-test findings yielded a calculated F-value of 64.390 with a significance value of <0.001 (<0.05), which is higher than the F-table value of 3.08. The Social Media Engagement (X1) and Paylater Service (X2) variables concurrently have a favorable and significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali, according to the decision-making criteria, which reject H_0 and approve H_a . These results indicate that the combination of interactive social media engagement and the convenience of Paylater payment facilities can jointly increase customer loyalty.

Coefficient of Determination (R^2)

Table 8. Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square
1	0.739 ^a	0.546	0.538

Source: SPSS Data Processing Results 2026

Based on the analysis results, an R Square (coefficient of determination) value of 0.546 was obtained. This value indicates that the independent variables simultaneously explain 54.6% of the variation in Customer Loyalty (Y) of TikTok Shop in Bali. Meanwhile, the remaining 45.4% is explained by other factors outside the research model, such as price perception, service quality, consumer trust, brand image, or the effectiveness of other digital platform promotions.

The Effect of Social Media Engagement on TikTok Shop Customer Loyalty in Bali

Based on the hypothesis testing that was conducted, it was found that the Social Media Engagement (X1) variable has a positive and significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali. This unidirectional relationship indicates that the more intensive the engagement and social interaction built by users within the TikTok Shop platform, the higher the level of loyalty formed among customers in Bali. This finding is in line with the Relationship Marketing theory put forward by Kotler, Keller, and Chernev (2021), It asserts that ongoing communication can help a business and its clients develop long-term connections. This research result also supports the study by Harrigan et al. (2020), which found that customer engagement on social media has a positive effect on customer loyalty. Similarly, the study by Pratama and Widodo (2023) shows that social commerce engagement can increase consumers' emotional closeness, thereby impacting increased loyalty.

The Effect of Paylater Service on TikTok Shop Customer Loyalty in Bali

The partial statistical test results for the second hypothesis prove that Paylater Service (X2) has a positive and significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali. The positive coefficient direction indicates that optimizing consumers' perceptions of the ease, flexibility, and security of the Paylater payment feature makes a real contribution to strengthening their loyalty toward this platform. This finding shows that the convenience, payment flexibility, and transaction speed offered by Paylater service can increase customers' tendency to continue using TikTok Shop. These results can be explained through the Technology Acceptance Model (TAM) developed by Davis (1989). This research finding is in line with the study by Sari and Nugroho (2022), which found that Paylater service has a positive effect on e-commerce loyalty. Furthermore, the simplicity of digital payment methods might boost consumer comfort and promote repeat transactions (Putri and Hidayat, 2024).

The Simultaneous Effect of Social Media Engagement and Paylater Service on TikTok Shop Customer Loyalty in Bali

Through simultaneous significance testing (F-Test), it was found that the Social Media Engagement (X1) and Paylater Service (X2) variables jointly have a significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali. This finding indicates that customer loyalty is not influenced by a single factor alone, but rather by a combination of customer engagement in social media activities and the convenience of the payment service offered by the platform. This research result can be explained through the Relationship Marketing theory put forward by Morgan and Hunt (1994), which states that long-term relationships between a company and its customers can be built through continuous interaction and strong trust. In addition, the effect of Paylater Service on customer loyalty can be explained through the Technology Acceptance Model (TAM) developed by Davis (1989). This theory explains that a technology will be accepted and used if it is considered to provide benefits and convenience to its users. The Paylater service on TikTok Shop provides payment flexibility, transaction convenience, and helps customers meet their consumption needs even when they do not yet have full funds available at the time of purchase. This research finding is in line with the study by Harrigan et al. (2020), which states that customer engagement has a positive effect on customer loyalty

through increased emotional connection between customers and the digital platform. In addition, the study by Cheung et al. (2021) also shows that customer engagement on social media can increase trust and loyalty toward a brand.

CONCLUSION

Based on the results of the data analysis, it can be concluded that Social Media Engagement (X1) partially has a positive and significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali. The more active the social interaction and emotional engagement of users through the platform's features, the higher customer loyalty becomes. The Customer Loyalty (Y) of TikTok Shop in Bali is significantly and favorably impacted by Paylater Service (X2). The ease of procedure, transaction speed, and payment scheme flexibility offered have been proven to consistently encourage repeat purchase interest. Social Media Engagement (X1) and Paylater Service (X2) simultaneously have a significant effect on the Customer Loyalty (Y) of TikTok Shop in Bali. The combination of interactive social engagement and effective payment facilities contributes 54.6% to the variation in customer loyalty.

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