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When We are Alike: Homophily in Livestream Commerce

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When We are Alike: Homophily in Livestream Commerce

Abstract

Purpose

Homophily, a prominent phenomenon in social networking, profoundly shapes user behaviors on social media but has not been well studied in the livestream commerce context. This research investigates its moderation role in leveraging the effects of key livestream commerce factors—perceived expertise of live streamers and perceived interaction during live streaming—on audience trust, a critical determinant of purchase intentions.

Design/methodology/approach

A survey was conducted among livestream shoppers on Taobao. A sample of 313 responses was analyzed. SPSS (version 29) was used for general statistical analysis. The partial least squares structural equation modeling (PLS-SEM) approach with SmartPLS 4.1 software was employed to assess our research model and hypotheses.

Findings

The results reveal noteworthy differential effects of homophily: it negatively moderates the expertise-trust association but positively moderates the interaction-trust relationship. When the audience perceives strong homophily with live streamers, their trust in these live streamers becomes increasingly contingent on the level of interaction, while the effect of perceived expertise diminishes.

Originality

The insights on the differential effects of homophily are novel to the literature. These findings extend theoretical understanding of the homophily effect and provide valuable guidance for live streamers, marketers, and platforms seeking to reinforce audience trust and drive purchase intentions in livestream commerce.

Keywords: Livestream commerce; Homophily; Trust; Perceived expertise; Perceived interaction

1. Introduction

Livestream commerce, also known as livestream shopping or retailing, has emerged as a popular and highly effective sales channel, revolutionizing traditional e-commerce retail practices (Ameen *et al.*, 2023; Ang *et al.*, 2018; Xie *et al.*, 2022). Within this format, live streamers, also known as livestream hosts, anchors, or influencers, utilize live video presentations to showcase products and engage with audiences in real-time dialogues, aiming to drive sales. Audiences, on the other hand, actively participate in livestream sessions and interact with both live streamers and fellow viewers through real-time text messages (Chen *et al.*, 2017; Plangger *et al.*, 2021; Xie *et al.*, 2022). As a result, live streamers can be remarkably effective in driving sales. For instance, Austin Li, a prominent influencer on Taobao Live, achieved an astounding \$1.7 billion in sales during a dedicated 12-hour livestream session for the pre-sale event of “Double 11 Shopping Festival” in 2021 (Champagne, 2022). In 2018, Li sold 15,000 lipsticks in less than five minutes while competing in a sales challenge against Alibaba’s CEO Jack Ma, in Alibaba’s “Ten Years, Ten People” event (Zhou *et al.*, 2022).

The rise of livestream commerce has spurred a growing body of research investigating critical features that impact its effectiveness. For instance, previous research examined livestream features, such as vividness, interactivity, and diagnosticity, linking them to customer satisfaction and subsequently loyalty (Bao and Zhu, 2022). Additionally, studies have highlighted the effects of live streamers’ characteristics, such as their expertise (Chen *et al.*, 2022) and real-time interaction (Alam *et al.*, 2023), on sales performance. Further research has explored customers’ perceived values (e.g., symbolic, utilitarian, and hedonic values) in livestream shopping and their impact on customer trust and engagement (Asante *et al.*, 2024; Wongkitrungrueng and Assarut, 2020).

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5 This study focuses on homophily, a significant social phenomenon in livestream commerce.
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7 Homophily, defined as “the tendency of individuals to associate with similar others” (Lawrence
8 and Shah, 2020), is widely observed in both conventional communication and social media,
9
10 and Shah, 2020), is widely observed in both conventional communication and social media,
11
12 profoundly affecting user attitudes and behaviors (Ertug *et al.*, 2022). It is a fundamental
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14 characteristic of social networking—social media communities commonly form around shared
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16 similarities (Casaló *et al.*, 2007; Zaglia, 2013). Unlike traditional celebrity endorsements,
17
18 influencers are typically ordinary social media users who attract and maintain followers by sharing
19
20 personal experiences and leveraging their commonality with their audience (Ladhari *et al.*, 2020;
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22 Zaglia, 2013). Social media users particularly value and are drawn to influencers with whom they
23
24 can relate (Sánchez-Fernández and Jiménez-Castillo, 2021).
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31 Despite its significance, homophily remains largely absent in the livestream commerce research,
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33 barring Chen *et al.* (2022) who examined perceived similarity as a precursor to swift guanxi—
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35 swiftly formed relationships that buyers perceive with sellers (Ou *et al.*, 2014). In broader social
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37 media research, such as social media influencer literature, homophily has received more attention.
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39 Studies have focused on its direct effect on outcome variables such as influencer credibility
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41 (Ladhari *et al.*, 2020) and influencer marketing effectiveness (Gupta *et al.*, 2022). For instance,
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43 Gupta *et al.* (2022) confirmed the direct effect of homophily between social media influencers and
44
45 their followers on the persuasiveness of influencers’ product promotions. Considering this focus,
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47 recent research on influencer marketing has called for the exploration of the interplay of homophily
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49 with key communication factors (Ertug *et al.*, 2022). Given the prevalence and significance of the
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3 homophily phenomenon, studying its role in livestream commerce, particularly its moderating
4 effects on other critical variables, could contribute invaluable insights.
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10 To this end, this study probes into the role of homophily in livestream commerce. Drawing from
11 existing literature on livestream commerce and the sociological theory of homophily, we model
12 the impacts of two crucial livestream commerce factors—the perceived expertise of live streamers
13 and perceived interaction during live streaming—on audience trust and purchase intention, and
14 then theorize the moderation role of perceived homophily between audience and live streamers in
15 these effects. Through a survey of Taobao livestream shoppers, we report positive effects of
16 perceived expertise and interaction on trust, and importantly, the differential moderation by
17 homophily on these two factors: homophily negatively moderates the effect of perceived expertise
18 but positively moderates that of perceived interaction. When the audience perceives high
19 homophily with live streamers, their trust in livestream shopping becomes increasingly influenced
20 by the perceived interaction and the effect of the live streamer's perceived expertise is mitigated.
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38 This research contributes to the livestream commerce literature and the homophily literature. It is
39 one of the first to examine homophily in livestream commerce, extending this crucial concept and
40 emphasizing its implications in this context. It enriches our understanding of the consumer-live
41 streamer relationship and the effectiveness of livestream commerce. Moreover, while previous
42 social media studies modeled the direct effects of homophily, this study adds to a comprehensive
43 view of its effects by studying its interplay with communication factors. Furthermore, the
44 theoretical analysis and empirical results regarding the differential moderations of homophily on
45 the effects of perceived expertise of live streamers and perceived interaction during live streaming
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3 offer substantive knowledge on the homophily effects. Managerially, our findings offer actionable
4 guidance for live streamers, marketers, and platforms seeking to enhance audience trust and sales.
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8 9 10 **2. Literature Review**

11 We review two streams of literature, i.e., research on livestream commerce and research on
12 homophily, for our investigation of homophily in livestream commerce. Livestream commerce
13 research has investigated factors that influence its effectiveness, with an emphasis on the
14 significant role of live streamers' expertise and audience interaction on sales performance (Hu and
15 Chaudhry, 2020; Yang *et al.*, 2023). Meanwhile, homophily research has outlined its critical role
16 in social connections and influence within social media (Smith *et al.*, 2005; Zhang *et al.*, 2018).
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28 **2.1 Livestream commerce**

29 Livestream commerce, a digital sales approach combining live video with real-time audience
30 engagement, has rapidly evolved in recent years, reshaping e-commerce retailing (Xue and Liu,
31 2022). At the core of livestream commerce are live streamers who leverage live video presentations
32 to engage audiences and promote products (Xie *et al.*, 2022). Ongoing research in livestream
33 commerce has explored multifaceted factors influencing audience attitude and the performance of
34 livestream commerce. Table 1 summarizes key empirical studies in this domain.
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49 For instance, research on live streaming interfaces and functionalities explored the role of bullet-
50 screen information (real-time viewer comments overlaid on videos; Wang *et al.*, 2022) and real-
51 time interaction (Bao and Zhu, 2022; Breuer *et al.*, 2021) during livestream commerce. Studies on
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3 audience dynamics have examined factors such as swift interpersonal relationships between live
4 streamers and audiences (Guo *et al.*, 2021) and audiences' cognitive responses to livestream
5 content (Ng *et al.*, 2022). In addition, research on product-related factors revealed how perceived
6 values influence audience trust (Wongkitrungrueng and Assarut, 2020) and how diverse product
7 presentation approaches of live streamers significantly affect their sales effectiveness (Chen *et al.*,
8 2022; Wongkitrungrueng *et al.*, 2020).

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19 Particularly, the literature highlights the importance of live streamers' expertise and audience
20 interaction in determining the success of livestream commerce. It is reported that professional
21 knowledge exhibited by live streamers can help establish them as credible and trustworthy
22 information sources (Hu and Chaudhry, 2020). Live streamers' expertise contributes to their
23 opinion leadership and fosters favorable audience attitudes and intentions to follow and make
24 purchases (Al-Emadi and Ben Yahia, 2020; Chen *et al.*, 2022; Liao *et al.*, 2023; Trivedi and Sama,
25 2020). Additionally, interaction plays a pivotal role in cultivating connections during livestreaming
26 (Yang *et al.*, 2023). When live streamers engage with their audiences, they not only address
27 product queries but also fulfill audiences' social and entertainment needs (Huang and Ma, 2024).
28 Moreover, real-time interaction among viewers during live streaming enables the exchange of peer
29 opinions, fostering a sense of community and building audience trust in livestream shopping
30 (Smith *et al.*, 2005).

31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 **2.2 Homophily**

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51 The sociological theory of homophily posits its critical role in social interactions and their
52 outcomes (Ertug *et al.*, 2022; Lawrence and Shan, 2020). The theory suggests that individuals are
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3 naturally inclined to associate with similar others. These similarities, forming the basis of
4 homophily, can be either attributed to features, such as gender, ethnicity, and age, or achieved
5 characteristics, such as values, preferences, education or other life experiences (Lawrence and
6 Shah, 2020; McPherson *et al.*, 2001). While some studies dissect and examine specific dimensions
7 of homophily (Lawrence and Shah, 2020), most studies use an aggregate measure to assess
8 homophily for focal individuals (Bunderson, 2003; Ertug *et al.*, 2022).
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19 The management literature has extensively studied homophily and its consequences across the
20 individual, dyad, team, organizational, and macro levels. A recent review by Ertug *et al.* (2022)
21 summarizes two key mechanisms underlying the homophily effects. On the one hand, as prescribed
22 by similarity-attraction theory (Byrne, 1971), homophily fosters smooth communication,
23 coordination, positive affection, and attraction. On the other hand, it is associated with diminished
24 diversity in knowledge and resources in social contacts. Consequently, the dominant effect of these
25 mechanisms shapes the outcomes of social interactions, yielding either positive or negative effects
26 (Wax *et al.*, 2017). For example, salespersons tend to share mutual gazes with customers who are
27 similar (Arndt *et al.*, 2020) and their similarity increases sales effectiveness (Crosby *et al.*, 1990).
28 However, homophily in social circles discourages the formation of social enterprise (Qureshi *et*
29 *al.*, 2016).
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47 In the social media context, influencer marketing studies have examined and established
48 homophily as a determinant of influencer effectiveness (Ladhari *et al.*, 2020; Lee and Watkins,
49 2016; Lou and Yuan, 2019). For instance, Lee and Watkins (2016) confirmed that homophily
50 bolsters parasocial interaction between the audience and YouTube video bloggers of luxury brands.
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3 Moreover, homophily increases followers' trust in influencers (Kim and Kim, 2021; Ladhari *et al.*,
4 2020; Lou and Yuan, 2019). In livestream commerce, Chen *et al.* (2022) studied and reported that
5 perceived similarity, along with perceived familiarity, likeability, and expertise, significantly
6 influence the development of swift guanxi.
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14 Additionally, influencer marketing research has discussed several constructs related to social
15 influence, such as identification, conformity, and social presence. Unlike homophily, which
16 emphasizes existing similarities in features (Ertug *et al.*, 2022; Lawrence and Shah, 2020),
17 identification and conformity involve adapting oneself within a social context. Identification refers
18 to the psychological processes where an individual aligns with specific groups or role models,
19 adopting their values, attributes, or behaviors as their own (Jenkin, 2014; Tajfel, 1982).
20 Conformity pertains to changing one's behavior or beliefs to align with those of others (Cialdini
21 and Goldstein, 2004; Lascu and Zinkhan, 1999), even if such behaviors contradict their personal
22 beliefs or convictions (Trusov *et al.*, 2010; Wang *et al.*, 2012). Social presence refers to audiences'
23 perception of being together with others in a mediated environment (Ledbetter and Meisner, 2021).
24 While it does not inherently require interpersonal similarities, it is found to be enhanced by
25 homophily (Nowak, 2013; Park *et al.*, 2021). Our study focuses on homophily because it is
26 grounded in sociodemographic similarities that facilitate easy communication and strong bonds
27 (Figeac and Favre, 2023), without necessitating changes in personal identity or behavior (Ertug *et*
28 *al.*, 2022; Lawrence and Shan, 2020). This makes it suitable for our study on livestream commerce.
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51 Despite its prominence and substantial impact, homophily and its effects remain underexplored in
52 livestream commerce research. More notably, the extant literature on homophily has primarily
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3 examined its direct effects on performance outcomes (Ertug *et al.*, 2022; Kim and Kim, 2021;
4 Lawrence and Shan, 2020), but has rarely discussed its moderating role in altering the effects of
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6 communication factors.
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12 **3. Research Model and Hypotheses**

14 This research inquiries into the influencing factors on audience trust and purchase intention in
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16 livestream commerce with a specific focus on homophily. Figure 1 presents our research model.
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18 Based on the livestream commerce literature, we formulate a base model, which depicts the impact
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20 of the perceived expertise of live streamers and perceived interaction during live streaming on
21
22 audience trust in livestream shopping, which in turn influences purchase intention. Then, drawing
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24 on the sociological theory of homophily, we theorize the moderation effects of homophily on the
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26 impact of perceived expertise and perceived interaction on audience trust.
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35 **3.1 Perceived expertise and audience trust**

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37 Live streamers' expertise in livestream commerce refers to the level of their professionalism in
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39 conveying high-quality product knowledge and offering useful consumption insights to their
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41 audience during product recommendations and sales (Al-Emadi and Ben Yahia, 2020; Guo *et al.*,
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43 2022). Previous studies have underscored the importance of salespersons' expertise as a critical
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45 source of their credibility (Hughes *et al.*, 2019; Lou and Yuan, 2019). First, their knowledge about
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47 products and services contributes substantively to the overall quality of these offerings, influencing
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49 consumers' evaluations of products and their shopping experiences (Wongkitrungrueng and
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51 Assarut, 2020). In addition, salespersons' expertise serves as a prominent cue used by audiences
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3 in their information assessment (Cheng *et al.*, 2023; Goldsmith *et al.*, 2000). Information provided
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5 by experts is perceived as more trustworthy than that from non-experts (Chaiken and Maheswaran,
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7 1994).
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12 In the context of social media, users seek expert opinions and high-quality information from social
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14 media influencers, especially when evaluating products or services for purchase considerations
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16 (Casaló *et al.*, 2020). Similarly, expertise is a crucial trait of live streamers (Lee and Wan, 2023;
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18 Wiedmann and von Mettenheim, 2020). Livestream commerce empowers live streamers to
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20 dynamically showcase their expertise during their product presentations. Live streamers who
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22 exhibit greater expertise can wield stronger opinion leadership. They effectively assist their
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24 audiences in finding suitable products, which builds and reinforces their audiences' trust in
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26 livestream shopping (Eisend and Langner, 2010). We hypothesize:
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33 *H1. The perceived expertise of live streamers is positively associated with audience trust in*
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35 *livestream shopping.*
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40 **3.2 Perceived interaction and audience trust**

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42 Perceived interaction of live streaming refers to the extent of communication that audiences
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44 perceive with live streamers and fellow viewers during live streaming sessions. Real-time
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46 interaction is a vital element in livestream shopping (Deng *et al.*, 2023). Unlike conventional e-
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48 commerce, where consumers navigate product web pages independently, livestream commerce
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50 features dynamic, real-time interaction, enhancing the shopping experience with high-quality
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52 information sharing and a sense of community (Maity and Dass, 2014). Specifically, live streamers
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3 actively interact with audiences through various approaches (e.g., bullet screens) and promptly
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5 respond to product queries, thus fostering authenticity and immediacy (Alam *et al.*, 2023; Ma *et*
6
7 *al.*, 2022) and nurturing a sense of trust (Asante *et al.*, 2024; Kim and Park, 2013). Moreover, as
8
9 live streamers share personal experiences and opinions in real-time interactions, they fulfill
10
11 audiences' psychological needs for socialization and entertainment, thereby cultivating a
12
13 trustworthy bond (Asante *et al.*, 2024; Park and Lin, 2020). Audiences, on the other hand, engage
14
15 in real-time interactions with both the live streamer and fellow viewers, forming a sense of
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17 community (Schneider *et al.*, 2019). Witnessing fellow viewers expressing interest in the
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19 recommended product, asking relevant questions, and sharing comments enhances audience
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21 confidence and trust in live streamers' recommendations (Berger, 2014).
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28 Marketing research has highlighted that interactions among online sellers, shoppers, and within
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30 shopper communities can decrease consumers' perceived risk, cultivate their trust in sellers, and
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32 improve their engagement motivation (Farivar *et al.*, 2021; Gao *et al.*, 2023; Hilvert-Bruce *et al.*,
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34 2018; Xue *et al.*, 2020; Zhao and Lu, 2012). Likewise, real-time interactions on live-streaming
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36 platforms offer viewers high-quality product information and nurture strong social connections,
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38 enhancing audience trust in livestream shopping. We hypothesize:
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44 *H2. Perceived interaction of live streaming is positively associated with audience trust in*
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46 *livestream shopping.*
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51 **3.3 Audience trust and purchase intention**

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3 The concept of trust involves a willingness to take potential risks with another party, based on the
4 expectation that the partner will be reliable and act with integrity (Mayer *et al.*, 1995; Morgan and
5 Hunt, 1994). The trust and purchase intention correlation has been robustly documented in the
6 marketing literature (Hampson *et al.*, 2021; Kim *et al.*, 2008; Lu *et al.*, 2016). For instance, Kim
7 *et al.* (2008) reported that customers' perceived trust in online retailers is a key antecedent to their
8 purchase intention in the context of electronic commerce. Similarly, studies on social media
9 influencers have established that trust stimulates followers' confidence in influencers' product
10 knowledge and recommendations, consequently impacting their purchase intentions (Farivar and
11 Wang, 2022; Guo *et al.*, 2022; Kim and Kim, 2021; Thomas *et al.*, 2024).
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26 In the domain of livestream commerce, trust assumes a critical role for several reasons. Unlike
27 traditional shopping environments, virtual settings lack physical avenues for consumers to assess
28 products firsthand and they rely on information provided by sellers and peer customers. This
29 subjects them to a higher level of risk (Wang and Head, 2007). Additionally, in livestream
30 commerce, the audience is presented with a limited window for product evaluation, with
31 transactions occurring in real-time. Establishing trust is essential for viewers to feel confident in
32 making purchase decisions with fleeting information and within time constraints
33 (Wongkitrungrueng and Assarut, 2020). We hypothesize:
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47 *H3: Audience trust in livestream shopping is positively associated with their purchase intention.*
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51 **3.4 Moderation effect of homophily**

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3 The diverse styles and personalities of live streamers attract a broad audience, resulting in varying
4 levels of perceived homophily. These differing degrees of perceived homophily can significantly
5 shape the influence of communication factors—specifically, the perceived expertise of live
6 streamers and the perceived interaction—on audience trust in livestream shopping.
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14 First, perceived homophily between audiences and live streamers may attenuate the positive effect
15 of perceived live streamer expertise on audience trust. High levels of homophily cultivate a sense
16 of relatability, prompting audiences to view live streamers more as peers than as distant or
17 transactional salespersons (Claro *et al.*, 2020; Hsu, 2023). This relatability shifts audiences'
18 expectations and trust-building mechanisms, reducing the emphasis on cognitive evaluations of
19 expertise and instead prioritizing shared identity and relational connections (Hsu, 2023; Pentina
20 and Taylor, 2010). The shared identity, characterized by aligned values and perspectives, can lead
21 audiences to perceive that the streamer inherently understands their needs and preferences. This
22 perceived understanding diminishes the reliance on expertise as a primary driver of trust. Moreover,
23 high homophily fosters relational bonds, which audiences may value more than the streamer's
24 authoritative knowledge as a foundation for trust (Leonhardt *et al.*, 2020; Li *et al.*, 2024). These
25 bonds create an emotional connection that reorients trust from being primarily knowledge-based
26 to being grounded in shared experiences and emotional alignment (De Salve *et al.*, 2018; Ladhari
27 *et al.*, 2020). We hypothesize:
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49 *H4a. Homophily with live streamers negatively moderates the relationship between perceived*
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51 *trust diminishes when homophily is high.*
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6 Additionally, perceived homophily may positively moderate the impact of perceived interaction
7 on audience trust. The homophily mechanism, as highlighted by Ertug *et al.* (2022), underscores
8 its pivotal role in enhancing communication quality and fostering positive affect. High levels of
9 homophily create a sense of personal resonance, shared perspectives, and mutual understanding
10 during the communication process. This resonance encourages audiences to engage more deeply
11 in interactions with live streamers during livestream shopping, heightening the perceived relevance
12 and authenticity of both audience-streamer and audience-audience interactions (Kim *et al.*, 2018;
13 Yu and Liao, 2023). Moreover, homophily shifts interactions from being purely transactional to
14 relational, emphasizing emotional alignment and shared identity. Such interactions have a dual
15 effect: they foster meaningful communication between streamers and audiences as well as cultivate
16 a sense of community among the audience (Gao *et al.*, 2023; Xie *et al.*, 2022). This sense of
17 community strengthens mutual understanding and shared experience, reinforcing emotional
18 connections that act as a foundation for trust (Nejad and Amini, 2024). We hypothesize:

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38 *H4b. Homophily with live streamers positively moderates the relationship between perceived*
39 *interaction and audience trust, such that the positive effect of perceived interaction on audience*
40 *trust is more pronounced when homophily is high.*
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47 **4. Methodology**

48 **4.1 Data collection**

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51 A survey was conducted with the audience of Taobao Live in China. Taobao Live is known as the
52 origin of livestream shopping (Asia Media Centre, 2023) and its data and audience have been
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3 commonly engaged in prior livestream commerce studies (Bao and Zhu, 2022; Chen *et al.*, 2022;
4 Guo *et al.*, 2021; Zhang *et al.*, 2022). A questionnaire with three sections (screen questions,
5 measurement items, and demographic information) was developed in English based on established
6 measures in the literature and was subsequently translated into Chinese by a bilingual researcher.
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8 To verify the precision of the translations, the Chinese version was back-translated into English
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10 by another researcher and cross-checked with the original English version. The finalized Chinese
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12 questionnaire was used in the survey to guarantee comprehension among participants.
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21 A pilot study with 15 participants was conducted to solicit feedback on the clarity of the questions
22 and any potential issues. Minor modifications were made to refine the questionnaire accordingly.
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24 Advertisements were sent out through WeChat groups and moments to invite shoppers on Taobao
25
26 Live to fill out the survey questionnaire. Participants were asked to think about their most recent
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28 livestream shopping session on Taobao Live while responding to the questionnaire.
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35 A total of 345 participants completed the questionnaire within a two-week period. The
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37 questionnaire includes two screening questions to identify individuals with prior experience in
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39 Taobao livestream shopping. Out of the 345 responses, 9 were excluded because they answered
40
41 "No" to the screening questions. Additionally, 23 responses were omitted for being completed in
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43 less than 30 seconds, a measure taken to ensure data integrity. This leaves a sample of 313 valid
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45 responses for analysis. Table 2 outlines the demographic profile of the sample: 39.3% were male
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47 (n=123), and 60.7% were female (n=190). A majority of respondents (72.8%) fell within the 18 to
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49 25 age range (n=228). Moreover, 48.6% held bachelor's degrees (n=152) and 41.9% held master's
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51 degrees (n=131). Employment status revealed that 51.4% were working full-time (n=161), while
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3 42.2% were not (n=132). Our sample is representative of the general livestream commerce
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8 [Insert Table 2 about Here]
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10 11 12 **4.2 Measures and control variables** 13

14 To operationalize our constructs, we utilized established measurements from existing literature
15 (Guo *et al.*, 2022; Kim and Kim, 2021; Liu *et al.*, 2023; Ma *et al.*, 2022; Wongkitrungrueng and
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17 Assarut, 2020). Measurement items for each construct were pretested for adapting the livestream
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19 shopping context. This research involved five key variables: perceived expertise, perceived
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21 interaction, homophily, trust, and purchase intention. Table 3 summarizes all measurement items.
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23 Following the existing research (Ma *et al.*, 2022), we deemed perceived interaction as a second-
24
25 order reflective construct, comprising two sub-constructs: audience-streamer interaction and
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27 audience-audience interaction. The measurement items for audience-streamer interaction were
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29 adapted from Ma *et al.* (2022) and Yang *et al.* (2023), and those for audience-audience interaction
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31 were from Libai *et al.* (2010) and Ma *et al.* (2022). In addition, we adapted perceived expertise
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33 from Guo *et al.* (2022) and Ohanian (1989) and homophily from Kim and Kim (2021) and Todri
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35 *et al.* (2021). The items of trust were drawn from Guo *et al.* (2021) and Wongkitrungrueng and
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37 Assarut (2020). We adapted purchase intention from Liu *et al.* (2023) and Lu *et al.* (2021). All
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39 items were assessed with a seven-point Likert scale ranging from “strongly disagree” (1) to
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41 “strongly agree” (7).
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3 In addition, to accommodate undisclosed heterogeneity, we integrated a range of control variables.
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5 These include key demographic variables such as gender, age, educational background, and
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7 occupational status. We also controlled steamer experience level and their value offering, reported
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9 by respondents.
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14 **5. Results**

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16 We analyzed the data using SPSS (version 29) for general statistical analysis and to assess potential
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18 common method variance. The research model was evaluated using the partial least squares
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20 structural equation modeling (PLS-SEM) approach with SmartPLS 4.1 software (Sharma *et al.*,
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22 2022). This component-based method does not necessitate multivariate normal data and is better
23
24 suited for small sample sizes (Hulland, 1999). Additionally, PLS-SEM is adept at modeling
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26 complex relationships and is suitable for explorative-predictive research, aligning with our study
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28 (Hair *et al.*, 2021; Wetzels *et al.*, 2009). Furthermore, perceived interaction was treated as a
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30 second-order reflective-reflective construct. In line with the guidelines in the literature (Sarstedt
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32 *et al.*, 2019), we applied the repeated indicator approach, which assesses the second-order
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34 construct using all the indicators from the corresponding lower-order constructs.
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42 **5.1 Measurement model**

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44 This study assessed the measurement model for internal consistency reliability, and convergent
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46 and discriminant validity (Hair *et al.*, 2021). Table 4 summarizes the results. Internal consistency
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48 reliability for all constructs was assessed using composite reliability (CR), Cronbach's alpha (CA),
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50 and Rho_A, all of which surpassed the threshold of 0.65. Factor loadings for all measurement
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52 items were above the 0.70 threshold (Sarstedt and Cheah, 2019), affirming the reliability of the
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3 construct scales. The average variance extracted (AVE) for each construct exceeded the 0.50
4 benchmark, confirming convergent validity. The square roots of AVE for each latent variable
5 significantly exceed the correlation coefficients with other constructs, indicating good
6 discriminant validity (Fornell and Larcker, 1981). Meanwhile, the heterotrait–monotrait ratio
7 (HTMT) values were below 0.85 for all constructs, highlighting the clear differentiation between
8 the constructs (Henseler *et al.*, 2014). In summary, the analysis results validated the reliability and
9 validity of the measurement model.
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24 We further assessed non-response error by comparing early and late responses (Armstrong and
25 Overton, 1977), and found no significant differences in respondent compositions. Therefore, non-
26 response bias is not a major concern in our study. Additionally, we conducted Harman's single-
27 factor test to evaluate common method bias (Podsakoff *et al.*, 2003). The results indicated that no
28 single construct accounted for more than 50% of the variance, confirming no significant common
29 method bias in our dataset. Lastly, our analysis confirmed low multicollinearity, with all variance
30 inflation factor (VIF) values under the critical threshold of 5 (Hair *et al.*, 2021), affirming the
31 robustness of the data.
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44 **5.2 Structural model**

45 We tested the structural model after assessing the adequacy of the measurement model. Fig. 2
46 illustrates the results. Table 5 provides comprehensive evidence supporting the hypotheses.
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6 The explanatory power of our research model was estimated by employing the coefficient of
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8 determination (R^2), effect size (f^2), and cross-validated redundancy (Q^2). The model substantially
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10 explains 63.2% and 66.4% of the variance in audience trust ($R^2= 0.632$) and purchase intention
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12 ($R^2= 0.664$), respectively, signifying strong explanatory power (Sharma *et al.*, 2022). Lower f^2
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14 values in this study, in line with Cohen (2009), indicated reasonable impact sizes for our latent
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16 components. In addition, we adopted the PLSpredict and CVPAT methods in this study to evaluate
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18 predictive model performance (Hair *et al.*, 2021). All Q^2 values are greater than zero, validating
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20 the predictiveness of the model.
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26 Specifically, the findings demonstrated that both perceived expertise ($\beta = 0.307$, $p < .001$) and
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28 perceived interaction ($\beta = 0.278$, $p < .001$) have significant, positive effects on audience trust,
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30 which significantly impacts purchase intention ($\beta = 0.445$, $p < .001$). These results support
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32 hypotheses H1, H2, and H3. In essence, enhancing the key attributes of live streamers leads to a
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34 notable increase in audience trust, and an increase in trust enhances purchase intention.
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40 In addition, our results reveal significant moderation effects of homophily. The simple slope
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42 analysis was conducted to visualize the moderation (see Fig. 3). In detail, homophily negatively
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44 moderates the relationship between perceived expertise and audience trust ($\beta = -0.137$, $p < .05$),
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46 suggesting that higher levels of homophily will weaken the positive effect of perceived expertise
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48 on audience trust. H4a is supported. In contrast, homophily positively moderates the relationship
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50 between perceived interaction and audience trust ($\beta = 0.176$, $p < .01$), indicating higher levels of
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52 homophily will strengthen the positive effect of interaction on trust. H4b is supported. Therefore,
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our results underscore the heterogeneous moderating effects of homophily in shaping the connections between the different attributes of livestream commerce and audience trust, providing valuable insights into livestream shopping.

[Insert Figure 3 about Here]

6. Discussions

This study inquires into the effect of homophily in livestream commerce. Drawing from the sociological theory of homophily and building on extant livestream commerce literature, it investigates the moderating role of homophily in altering the effects of key livestream commerce factors—perceived expertise of live streamers and perceived interaction of live streaming—on audience trust and subsequently purchase intentions. A survey was conducted among livestream shoppers on Taobao. The results confirm the relationships in our base model, i.e., perceived expertise of live streamers (H1) and perceived interaction (H2) positively affect audience trust in livestream shopping, which in turn contributes to purchase intention (H3). These results are in line with those in the livestream commerce literature (Chen *et al.*, 2022; Deng *et al.*, 2023; Gao *et al.*, 2023; Zhang *et al.*, 2022)

More important is the interesting differential effects of homophily. It negatively moderates the expertise-trust association (H4a) but positively moderates the interaction-trust relationship (H4b). When the audience perceives strong homophily with live streamers, their trust in livestream shopping becomes increasingly contingent on the level of interaction, while the effect of perceived expertise diminishes.

6.1 Theoretical implications

This study makes notable contributions to both the livestream commerce literature and homophily research. Firstly, it pioneers the investigation of homophily in the context of livestream commerce, enriching our understanding of its effectiveness and expanding the scope of homophily research. While existing research in livestream commerce has examined critical factors such as livestream functional features (Bao and Zhu, 2022), live streamer characteristics (Alam *et al.*, 2023; Chen *et al.*, 2022), product values and presentation modes (Wongkitrungrueng and Assarut, 2020), the prominent social phenomenon of homophily has been overlooked. By placing homophily at the forefront of livestream commerce research, this study significantly enhances our comprehension of live streamer effectiveness.

Secondly, the theoretical contribution of this study lies in its exploration of the interplay between homophily and communication factors in cultivating audience trust in livestream commerce. The management literature has extensively examined the direct effects of homophily across various social and organizational levels (Bunderson, 2003; Lawrence and Shah, 2020). However, research on its interplay with other factors at the individual and dyad levels has been limited (Ertug *et al.*, 2022; Qureshi *et al.*, 2016). Social media research, in particular, has predominantly focused on the direct effects of homophily, urging a deeper understanding of its moderating effects on other key variables (Ertug *et al.*, 2022; Kim and Kim, 2021). This study, by investigating the moderation role of homophily in the effects of communication factors, provides a more comprehensive perspective on this phenomenon.

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3 Furthermore, the study introduces valuable substantive knowledge regarding homophily effects,
4 uncovering a nuanced pattern of moderation. It highlights the negative moderation of homophily
5 on the expertise-trust association and the positive moderation on the interaction-trust relationship.
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7 In instances of strong homophily with live streamers, audience trust becomes increasingly
8 dependent on the level of interaction, while the impact of perceived expertise diminishes. This
9 fresh insight aligns with audience tendencies to prioritize relatability and peer communication in
10 scenarios characterized by high homophily.
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22 **6.2 Practical implications**

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24 Live streamers, brands, social media and digital marketers, and livestream retailing platforms can
25 benefit from this study to build audience trust and drive sales. First, to effectively capture their
26 audiences' homophily, live streamers should understand their audiences thoroughly, including
27 demographics, interests, and values. This understanding enables them to create relevant shared
28 content and engage in more interactions that reflect their similarities during live streaming. When
29 the live streamer understands their audiences well and showcases products that align with their
30 viewers' interests or needs, it could enhance their trust and increase their purchase intention.
31
32 Meanwhile, live streamers should adopt a balanced strategy to demonstrate expertise while
33 facilitating genuine interactions, reflecting homophily with their audiences. Although the
34 streamers' expertise in their presentation is crucial, we suggest that streamers should engage more
35 in personalized interactions, such as Q&A sessions, to highlight shared attributes or interests,
36 rather than solely showcasing expertise. This dual approach can maximize audience trust and
37 enhance the effectiveness of live streaming.
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3 Second, our findings suggest that brands and social media marketers seeking streamer partnerships
4 should select streamers who display high homophily with their followers. This type of live
5 streamers, more experienced in building relationships with their audiences during live streaming
6 sales, can create an ideal conversion rate from viewers to customers. Furthermore, for digital
7 marketers responsible for cultivating and managing live streamers, we suggest developing training
8 programs for streamers at different stages to help them customize their presentation styles with
9 homophily during product demonstrations. For example, marketers could focus on guiding
10 streamers to introduce products by reflecting the shared values, interests, or backgrounds so that
11 audiences could subtly build a trusting relationship with live streamers and potentially increase
12 purchase intention. Additionally, it is critical to train live streamers on strategically tailoring their
13 expert knowledge and engaging with homogenous audiences, which can significantly enhance the
14 effectiveness of live streaming.
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33 Lastly, based on our findings, we suggest that livestream retailing platforms develop two features
34 to enhance their operations. Firstly, platforms can improve their algorithms to better facilitate
35 interaction based on homophily. This algorithm upgrade would enable the matching of viewers
36 with live streamers who share similar traits or interests and further promote the creation of interest-
37 based communities, such as forums or exclusive group chats. Such community features facilitate
38 interactions between live streamers and their homogenous audiences, thereby fostering trust
39 relationships and enhancing sales effectiveness. Secondly, platforms can offer holistic analytics
40 features to help streamers better understand their audiences. For instance, this analytics tool can
41 provide insights into the audience's viewing preferences and interactions with other live streamers.
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3 This upgraded feature will benefit live streamers for optimizing their content to better fit their
4 audience's preferences.
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10 **6.3 Limitations and future research**

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12 As with all empirical studies, this research has a few limitations. We acknowledge the following
13 limitations of this study to suggest future research. First, our sample was limited to participants in
14 China; our findings can be further validated with a more diverse sample (e.g., a cross-cultural
15 sample). Second, our study focused solely on Taobao Live platform, while various live streaming
16 platforms (such as Amazon Live or TikTok Live) have emerged in recent years. It would be
17 interesting for future research to compare these different platforms to confirm our findings.
18
19 Furthermore, we used "intention" as a proxy for actual behavior. Although it is an effective and
20 commonly applied proxy in the business literature (Alam *et al.*, 2023; Babiran *et al.*, 2024; Farivar
21 and Wang, 2022), we suggest that future research can directly measure actual behavior.
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35 Additionally, interaction in livestream commerce is multi-dimensional. This study categorizes
36 interaction based on the parties involved, including sub-constructs of audience-streamer
37 interaction and audience-audience interaction (Ma *et al.*, 2022; Yang *et al.*, 2023). However, there
38 are alternative ways to assess the multi-dimensional aspects. These include examining different
39 informational dimensions such as product information, monetary information, and dynamics of
40 other users' purchases, each of which may differentially affect audiences' utilitarian and hedonic
41 values (Wongkitrungrueng and Assarut, 2020). Future research could explore alternative methods
42 for measuring interaction dimensions, potentially providing deeper insights into the dynamics of
43 livestream shopping.
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6 Furthermore, as one of the first studies discussing homophily in the domain of livestream
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8 commerce, we primarily focus on the moderating effect of homophily with two key livestream
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10 commerce factors. Given the inherently dynamic nature of human behavior during live streaming,
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12 we recommend that future scholars conduct longitudinal studies to examine how the interaction
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14 effect between streamers' characteristics and homophily on audience trust dynamically evolves
15
16 over time. Lastly, our study did not focus on specific product or service categories. We call for
17
18 future research to explore if our findings might vary across different types of goods, which can
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20 provide nuanced insights for marketers and practitioners in specific industries.
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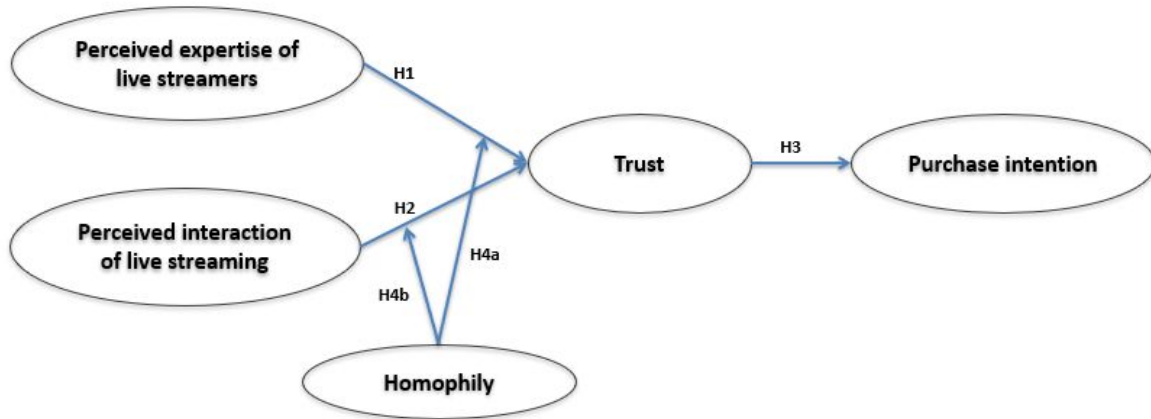
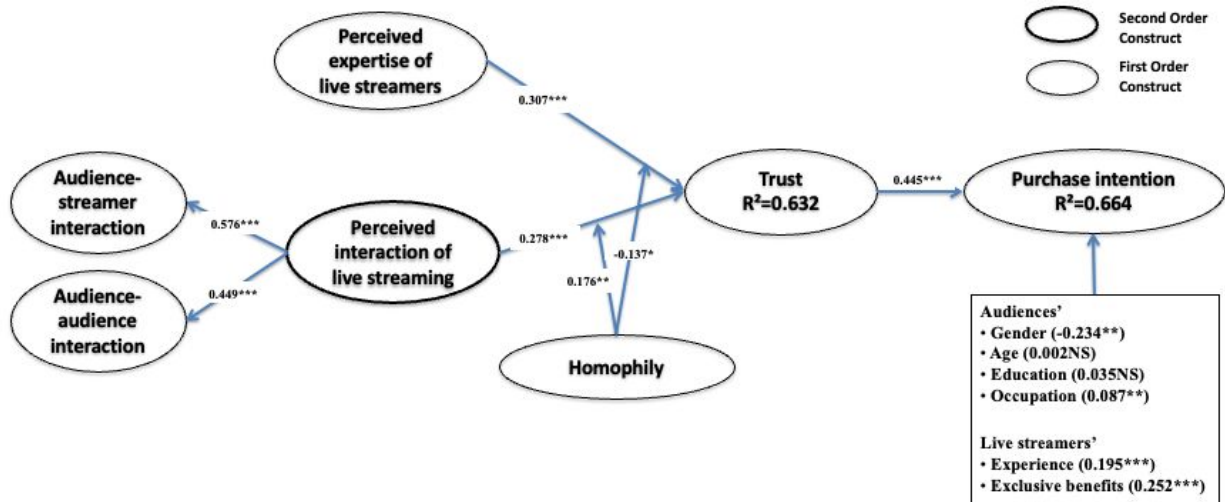


Fig. 1. Research model



***: $p < .001$; **: $p < .01$; *: $p < .05$; NS: not significant

Fig. 2. Structure model

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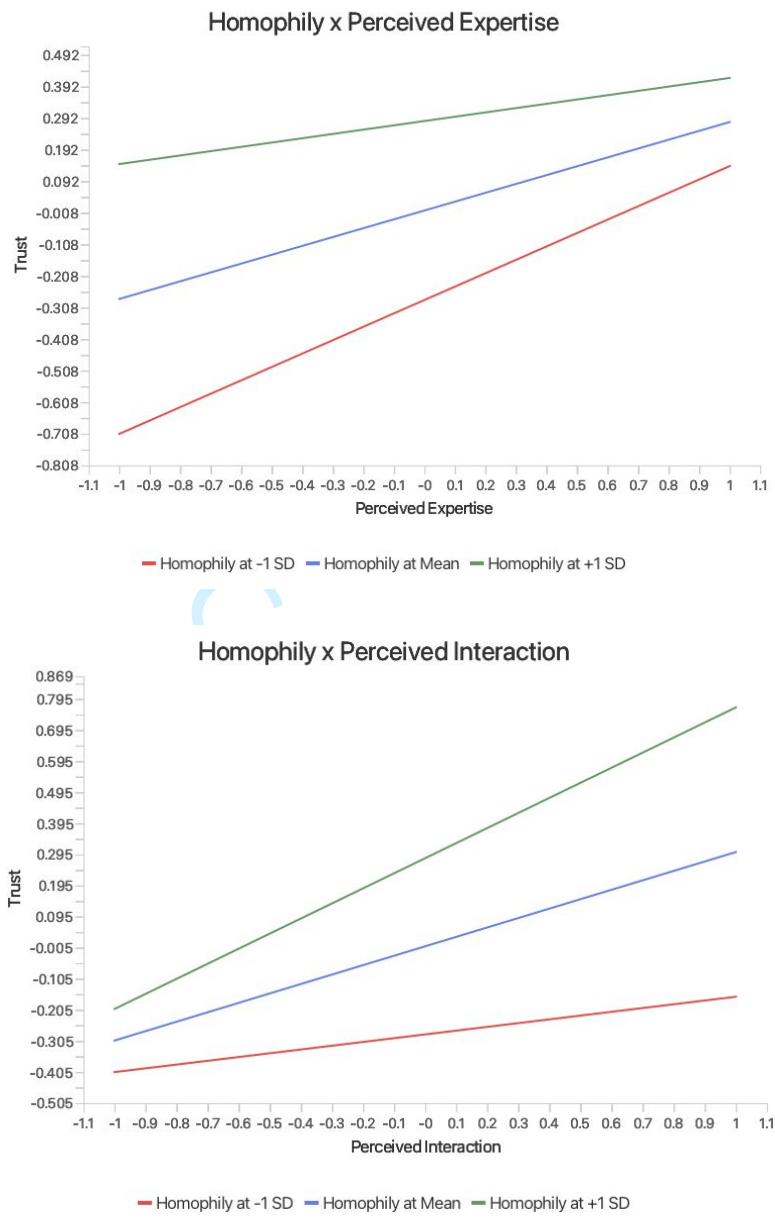


Fig. 3. Simple slope analysis

Study	Context	Influencing factors	Dependent and mediating variables	Key findings relevant to this study
Bao and Zhu (2022)	Survey; Taobao Live	Interaction, vividness, diagnosticity	Perceived value, satisfaction, stickiness intention toward livestream commerce platforms	Perceived interaction affects perceived value and customer satisfaction toward a live streaming commerce platform, and then customers' stickiness intention.
Chen <i>et al.</i> (2021)	Survey; Taobao Live	Perceived expertise, similarity, familiarity, and likeability	Swift guanxi, purchase intention	Streamer expertise works as an interpersonal interaction factor to influence audiences' purchase intention.
Guo <i>et al.</i> (2021)	Survey; Taobao Live	Trust	Swift guanxi, customer engagement	Trust influences swift guanxi, and then customer engagement.
Lee and Wan (2023)	Experiment	Influencer variables (e.g., attractiveness), content type, and platform variables (e.g., product info.)	Perceived values, impulse consumption and purchase intention, overconsumption behavior	Livestream variables affect perceived values.
Liao <i>et al.</i> (2022)	Survey	Streamer interaction orientation	Immersion, parasocial interaction, purchase intention	Streamer interaction orientation positively influences viewer immersion and parasocial interaction. Streamer expertise moderates the relationship between interaction orientation and viewer immersion.
Wang <i>et al.</i> (2022)	Interview and survey	Atmospheric cues (guidance info., bullet info., and parasocial interaction)	Brand experience, purchase intention	Atmospheric cues influence viewers' dynamic brand experience.
Yan <i>et al.</i> (2022)	Survey	Influencer credibility, perceived entertainment, trust	Attitude toward influencer ads; urge to buy impulsively	Influencer credibility, perceived entertainment, and trust influence attitude toward influencer ads.

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Yang <i>et al.</i> (2023)	Survey; Douyin	Social-interaction-oriented content; broadcaster popularity	Purchasing behavior; gift-giving behavior	Social-interaction-oriented content affects purchasing and gift-giving behaviors and these effects are moderated by broadcaster popularity.
Zhang <i>et al.</i> (2022)	Survey; Taobao Live	Active control, synchronicity, two-way communication, personalization, visibility	Trust in streamers, trust in products, continuance intention	Social enabler factors (e.g., two-way communication) enhances trust in streamers, which leads to trust in products and continuance intention.
This study	Survey; Taobao Live	Streamer expertise, interaction, homophily	Trust, purchase intention	The differential moderation effects of homophily: it negatively moderates the expertise-trust association but positively moderates the interaction-trust relationship.

Table 1. Key empirical studies on influencing factors in livestream commerce

Table 2. Demographic profile

Variables	Items	Frequency	Percentage (%)
Gender	Male	123	39.3
	Female	190	60.7
	Prefer not to say	0	0
Age	18-25	228	72.8
	26-35	61	19.5
	>35	18	5.8
	Prefer not to say	6	1.9
Education	High school and below	18	5.8
	Undergraduate	152	48.6
	Graduate and above	131	41.9
	Prefer not to say	12	3.8
Work status	Full-time working	161	51.4
	Not full-time working	132	42.2
	Prefer not to say	20	6.4
	Total	313	100

Table 3. Variable measurement items

Perceived expertise (Adapted from Guo <i>et al.</i> , 2022; Ohanian, 1989)		
PE1		This streamer is an expert on promoting sales in live streams.
PE2		This streamer is experienced in live streaming and sales.
PE3		This streamer is knowledgeable about products he/she promotes.
PE4		This streamer provides substantial information regarding products.
Perceived interaction (Adapted from Libai <i>et al.</i> , 2010; Ma <i>et al.</i> , 2022; Yang <i>et al.</i> , 2023)		
	SI1	Through live streaming, I can interact with the live streamer in real time.
Audience-streamer interaction	SI2	When shopping in live streaming, the streamer can reply to my questions and comments in time.
	SI3	When shopping in live streaming, the streamer's reply is closely related to my question.
	SI4	When shopping in live streaming, the streamer's reply can meet my needs.
Audience-audience interaction	AI1	In live streaming, I can interact with other audiences.
	AI2	In live streaming, audiences can share their own shopping experience.
	AI3	In live streaming, audiences can communicate with each other about their product experience.
Homophily (Adapted from Kim and Kim, 2021; Todri <i>et al.</i> , 2021)		
H1		The values of this live streamer closely resemble mine.
H2		The personality of this live streamer closely aligns with mine.
H3		The overall demeanor of this live streamer resembles mine.
Trust (Adapted from Guo <i>et al.</i> , 2021; Wongkitrungrueng and Assarut, 2020)		
T1		I trust the information provided by this live streamer.
T2		I believe that this streamer is trustworthy.
T3		I have faith that the products I receive will be as described and showcased by the live streamer.
Purchase intention (Adapted from Liu <i>et al.</i> , 2023; Lu <i>et al.</i> , 2021)		
PI1		I am likely to make purchases through this live streamer.
PI2		I intend to make purchases through this live streamer.
PI3		I would consider making purchases through this live streamer in the future.

Table 4. Assessment of measurement model

Constructs	Item	FL	VIF	CR	CA	Rho_A	AVE	1	2	3	4	5
1. Perceived expertise	PE1	0.823	2.345	0.920	0.884	0.892	0.744	0.862				
	PE2	0.808	2.014									
	PE3	0.879	2.501									
	PE4	0.935	4.246									
2. Perceived interaction*	SI1	0.746 (0.812 ⁺)	2.126	0.935	0.919	0.920	0.674	0.763	0.821			
	SI2	0.776 (0.800 ⁺)	2.100									
	SI3	0.849 (0.852 ⁺)	2.174									
	SI4	0.826 (0.801 ⁺)	2.007									
	AI1	0.807 (0.824 ⁺)	1.669									
	AI2	0.887 (0.909 ⁺)	2.671									
	AI3	0.848 (0.893 ⁺)	2.507									
3. Homophily	H1	0.925	3.266	0.939	0.903	0.903	0.837	0.750	0.730	0.915		
	H2	0.918	3.074									
	H3	0.902	2.515									
4. Trust	T1	0.926	3.285	0.950	0.921	0.921	0.864	0.790	0.731	0.760	0.929	
	T2	0.930	3.395									
	T3	0.931	3.499									
5. Purchase intention	PI1	0.910	2.822	0.938	0.900	0.901	0.834	0.786	0.767	0.812	0.837	0.913
	PI2	0.933	3.633									
	PI3	0.897	2.549									

Note: *: second-order construct (reflective-reflective); ⁺: second-order construct loadings; N=313; FL=factor loading; VIF=variance inflation factor; CR=composite reliability; CA=Cronbach's alpha; AVE=average variance extracted. The bold numbers on the diagonal are the square root of the AVE of the corresponding variable.

Table 5. Assessment of structural model

Hypothesized relationships	Estimation Results						Conclusion
	Path Coefficient	Significance (p-value)	95% CI	f ²	R ²	Q ²	
H1: PE → T (+)	0.307***	0.000	[0.181, 0.435]	0.103	0.632	0.613	Supported
H2: PIA → T (+)	0.278***	0.000	[0.142, 0.410]	0.086			Supported
H3: T → PI (+)	0.445***	0.000	[0.332, 0.563]	0.236	0.664	0.626	Supported
H4a: H * PE → T (-)	-0.137*	0.027	[-0.264, -0.016]	0.022			Supported
H4b: H * PIA → T (+)	0.176**	0.005	[0.046, 0.299]	0.041			Supported

Note. PE=perceived expertise; PIA=perceived interaction; T=trust; PI=purchase intention; H=homophily. CI=confidence interval. ***: p<.001; **: p<.01; *: p<.05.

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Response Letter to the Reviewers' Comments (JCM-03-2024-6668.R1) "When We are Alike: Homophily in Livestream Commerce"

We sincerely thank the editors and reviewers for your review and valuable feedback, which have significantly helped us improve the quality of the manuscript. In this revision, we have carefully addressed the review comments and made corresponding revisions throughout the paper. We respond to each comment and summarize our revisions below. The reviewers' comments are in italics.

Response to Associate Editor

Review Comment:

We have now received two positive reviews of your manuscript. To expedite the publication process, we aim to make this the final round of revisions.

Please focus on Reviewer #2's comments should you choose to revise and resubmit.

- 1. Reviewer #2 suggests reconsidering the use of "indirect effects of homophily" throughout the manuscript. As your analysis focuses on a moderating effect, the term "indirect" may be confusing.*
- 2. Please correct the typographical error where "H5" appears towards the end of the manuscript.*
- 3. Reviewer #2 recommends strengthening the argument for the selection of settings 4a and 4b, given their importance to your research.*

We look forward to receiving your revised manuscript. Thank you for your continued engagement with this work.

Response:

Thank you for your review and the valuable guidance and support throughout this process. We have carefully revised the manuscript to address Reviewer 2's comments. In summary:

- We have replaced "indirect effect" with "moderating effect".
- We have corrected the typographical error, replacing "H5" with "H4b".
- We have strengthened the arguments for H4a and H4b.

For further details, please refer to our specific replies to Reviewer 2's comments. We hope that this revision is satisfactory.

Thank you once again for your thoughtful feedback and continued support.

Response to Reviewer 2

Review Comment:

The manuscript provides novel and interesting insights into the timely and growing phenomenon of livestreaming commerce through the focus on homophily. Overall, the author(s) have done a great job on this paper and have done well in addressing the comments of previous reviewers. I have a few issues to consider:

- 1. One of the key contributions that is mentioned quite a few times throughout the paper refers to the need to further examine the indirect effects of homophily. Despite this, the study does not*

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3 *test this, and an indirect effect is not examined. Only the direct effects of the IV on mediator,*
4 *mediator on DV, and interaction on mediator are reported.*
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7 **Response:**

8 Thank you for bringing this to our attention. We agree with you and apologize for the
9 inaccuracy in the description. In response, we have revised all instances of “indirect effect” to
10 “moderating effect”.
11

12 **Review Comment:**

13 *2. There is quite a bit of build up to the hypothesis development of the main effects (which*
14 *though good are not the most interesting part of the paper), while the logic behind the*
15 *hypotheses for the interaction effects (the most substantial contribution of the paper) are*
16 *lacking. A bit more clarity on the logic for the expectations of 4a and 4b would benefit the*
17 *paper.*
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20 **Response:**

21 Thank you for this valuable feedback. In this revision, we have strengthened the arguments for
22 H4a and H4b and further clarified their underlying logic. Structurally, we have separated the
23 arguments for H4a and H4b, presenting each hypothesis in its dedicated section rather than
24 combining them as in the previous version. This revised approach ensures greater clarity and
25 focus in articulating the rationale for each hypothesis. The section now reads as follows:
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28 “The diverse styles and personalities of live streamers attract a broad audience, resulting in
29 varying levels of perceived homophily. These differing degrees of perceived homophily can
30 significantly shape the influence of communication factors—specifically, the perceived
31 expertise of live streamers and the perceived interaction—on audience trust in livestream
32 shopping.
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35 First, perceived homophily between audiences and live streamers may attenuate the positive
36 effect of perceived live streamer expertise on audience trust. High levels of homophily
37 cultivate a sense of relatability, prompting audiences to view live streamers more as peers
38 than as distant or transactional salespersons (Claro *et al.*, 2020; Hsu, 2023). This relatability
39 shifts audiences’ expectations and trust-building mechanisms, reducing the emphasis on
40 cognitive evaluations of expertise and instead prioritizing shared identity and relational
41 connections (Hsu, 2023; Pentina and Taylor, 2010). The shared identity, characterized by
42 aligned values and perspectives, can lead audiences to perceive that the streamer inherently
43 understands their needs and preferences. This perceived understanding diminishes the
44 reliance on expertise as a primary driver of trust. Moreover, high homophily fosters
45 relational bonds, which audiences may value more than the streamer’s authoritative
46 knowledge as a foundation for trust (Leonhardt *et al.*, 2020; Li *et al.*, 2024). These bonds
47 create an emotional connection that reorients trust from being primarily knowledge-based
48 to being grounded in shared experiences and emotional alignment (De Salve *et al.*, 2018;
49 Ladhari *et al.*, 2020). We hypothesize:
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54 *H4a. Homophily with live streamers negatively moderates the relationship between*
55 *perceived expertise and audience trust, such that the positive effect of perceived expertise*
56 *on audience trust diminishes when homophily is high.*
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58 Additionally, perceived homophily may positively moderate the impact of perceived
59 interaction on audience trust. The homophily mechanism, as highlighted by Ertug *et al.*
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(2022), underscores its pivotal role in enhancing communication quality and fostering positive affect. High levels of homophily create a sense of personal resonance, shared perspectives, and mutual understanding during the communication process. This resonance encourages audiences to engage more deeply in interactions with live streamers during livestream shopping, heightening the perceived relevance and authenticity of both audience-streamer and audience-audience interactions (Kim *et al.*, 2018; Yu and Liao, 2023). Moreover, homophily shifts interactions from being purely transactional to relational, emphasizing emotional alignment and shared identity. Such interactions have a dual effect: they foster meaningful communication between streamers and audiences as well as cultivate a sense of community among the audience (Gao *et al.*, 2023; Xie *et al.*, 2022). This sense of community strengthens mutual understanding and shared experience, reinforcing emotional connections that act as a foundation for trust (Nejad and Amini, 2024). We hypothesize:

H4b. Homophily with live streamers positively moderates the relationship between perceived interaction and audience trust, such that the positive effect of perceived interaction on audience trust is more pronounced when homophily is high." (pp.14-15)

Review Comment:

3. *A few minor points: a) tautology in the first sentence of the lit review, b) provide a brief explanation on bullet-screen the first time mentioned for those unfamiliar with the term, c) general check for grammar/spelling/consistency (e.g., H5 mentioned on p. 20).*

Response:

Thanks for bringing these to our attention. We have revised the manuscript as follows:

a) We have revised the first sentence of the literature review to

"We review two streams of literature, i.e., research on livestream commerce and research on homophily, for our investigation of homophily in livestream commerce." (p.6)

b) In this revision, we added a concise explanation of bullet-screen when it is first mentioned:

"...bullet-screen information (real-time viewer comments overlaid on videos; Wang *et al.*, 2022)..." (p.6)

c) We have thoroughly checked the manuscript, corrected typos, and replaced "H5" with "H4b".

Review Comment:

1. *Originality: Does the paper contain new and significant information adequate to justify publication?: The paper does a good job of bringing homophily into the picture.*

2. *Relationship to Literature: Does the paper demonstrate an adequate understanding of the relevant literature in the field and cite an appropriate range of literature sources? Is any significant work ignored?: Understanding of the literature is adequate though, as mentioned in the comments below, the line of argument regarding the interaction effect (which is the most interesting and original component of this paper) is lacking.*

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3. *Methodology: Is the paper's argument built on an appropriate base of theory, concepts, or other ideas? Has the research or equivalent intellectual work on which the paper is based been well designed? Are the methods employed appropriate?: Methodology seems appropriate and well designed.*

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Results: Are results presented clearly and analysed appropriately? Do the conclusions adequately tie together the other elements of the paper?: Results are clear. Though, throughout the paper the indirect effect is claimed as a contribution though no indirect effect is reported.

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4. *Practicality and/or Research implications: Does the paper identify clearly any implications for practice and/or further research? Are these implications consistent with the findings and conclusions of the paper?: For the most part yes. Though there is a claim on p. 23 that collaboration between streamers can generate more revenue, something that was not tested. Additionally, is that information of other streamers' audiences available to all streamers or is it private to the individual streamer? I'm personally not familiar with Taobao, but the data is very limited on Twitch.*
5. *Quality of Communication: Does the paper clearly express its case, measured against the technical language of the field and the expected knowledge of the journal's readership? Has attention been paid to the clarity of expression and readability, such as sentence structure, jargon use, acronyms, etc.: Yes, with the exception of bullet-screen which could use some further explaining.*

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Response:

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Thank you for your careful review and constructive comments! We have revised the manuscript based on your suggestions and provided detailed responses above. We hope the revisions meet your expectations.

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For point 2, we have strengthened the arguments for the interaction effects (H4a and H4b). Please see our response above for details.

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For point 3, we have revised the inaccurate description of the indirect effect to the moderating effect. Please see our response above for details.

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For point 4, thanks for pointing this out to us. We have removed this sentence in this revision.