

Optimizing Influencer Marketing to Increase MSME Sales on Shopee and TikTok Shop

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ABSTRACT

Objective: This study aims to analyze the strategic role of influencer marketing in brand building and increasing MSME sales on Shopee and TikTok Shop. The focus of the research is directed at the relationship between influencer niche relevance, content quality, and micro-influencer efficiency on sales conversion.

Methodology: The research uses the Systematic Literature Review approach and narrative synthesis, by examining academic journals and the latest industry reports in Southeast Asia. This method is used to map empirical findings regarding the effectiveness of influencer-based digital promotion strategies.

Results: Findings show that influencer niche relevance has a significant effect on increasing brand engagement, supporting the Match-up Hypothesis. The quality and consistency of content, especially through short videos and live commerce sessions, increases sales conversions by strengthening the credibility of messages and triggering impulse purchases. In addition, micro and nano influencers have been proven to produce an average ROI 1.8 times higher than macro influencers, making them more efficient for MSMEs with limited budgets.

Conclusion: Influencer marketing based on niche relevance, quality content, and the use of live commerce is an effective strategy for MSMEs in increasing engagement and sales on e-commerce platforms. Micro-influencers are a more cost-efficient option.

Limitations: This study relied on secondary data from various publications so that the validity of the findings was influenced by variations in sales tracking methods in the original source. In addition, the focus of the research is limited to the two main platforms and the Indonesian context, so generalizations have limitations.

Contributions: This study provides an evidence-based framework for MSMEs in designing optimal influencer marketing strategies, including the selection of relevant influencers, content quality improvement, and the use of live commerce to maximize sales conversions.

Keywords: Influencer Marketing, Micro-Influencer, MSMEs, Shopee, TikTok Shop, Live Commerce, ROI (Return on Investment)

1. INTRODUCTION

Digital transformation in the past decade has drastically reconstructed Indonesia's economic landscape. This change is triggered by increasing national internet penetration, increasingly equitable smartphone adoption, and a shift in people's lifestyles from physical activities to more practical and integrated digital activities. Indonesia now occupies a position as one of the largest and fastest-growing e-commerce markets in Southeast Asia, with a Gross Merchandise Value (GMV) value that continues to increase every year. This growth not only changes the way consumers shop, but also forces Micro, Small, and Medium Enterprises (MSMEs) to adapt quickly in utilizing the digital ecosystem as a new competitive space.

Shopee and TikTok Shop have emerged as two dominant platforms that combine transaction,

entertainment, and social interaction functions in one integrated ecosystem. Unlike conventional e-commerce, both platforms offer content-driven shopping experiences, where the buying process is influenced by recommendations, real-time interactions, and the credibility of the influencers involved. Features like Shopee Live and TikTok Live encourage impulse buying behavior as consumers see live product demonstrations, interact via chat, and acquire exclusive offers for a limited time. Thus, the competitive space not only involves product quality, but also the ability of MSMEs to build visibility and credibility quickly through content and influencers.

However, the biggest challenge for MSMEs today is not only selling on the platform, but also dealing with the high level of *digital noise* due to the increasing number of sellers vying for attention at the same time. The cost of digital advertising (paid ads) such as Pay Per Click (PPC) and paid advertising on social media also continues to increase, reducing the efficiency of MSME marketing spending. In the midst of this saturated market condition, modern consumers, especially millennials and Gen Z, are becoming increasingly selective about the information they consume. The phenomenon of *banner blindness* indicates that consumers tend to ignore traditional advertising that is considered intrusive and less authentic. Instead, they trust the recommendations of individuals who are considered credible and have an emotional closeness to them.

This is where influencer marketing plays an important role. Influencers act not only as messengers, but as sources of credibility, opinions, and recommendations that influence perceptions and purchasing behaviors. When influencers have a niche that is relevant to the product, for example, beauty influencers who review skincare products, their credibility and expertise further strengthen consumer trust. This concept is in line with the *Match up Hypothesis* which asserts that the match between the image of the influencer and the product will increase the effectiveness of marketing communication. Additionally, the *electronic Word of Mouth (eWOM)* mechanism generated by influencers expands the impact of the message organically and increases the chances of audience engagement.

Furthermore, the presence of live commerce features strengthens the effectiveness of influencer marketing. Through live broadcast sessions, influencers are able to deliver real-time product demonstrations, answer consumer questions, and create an interactive atmosphere that increases *social presence*. A high social presence has been shown to reduce the perception of purchase risk, strengthen the credibility of messages, and trigger impulse purchase decisions. This hybrid model between entertainment, product education, and instant transactions is the strategic advantage of Shopee and TikTok Shop compared to other e-commerce platforms.

However, the effectiveness of influencer marketing is not solely determined by the number of followers or the level of popularity of the influencer. Recent literature shows that micro and nano influencers often generate higher engagement and sales conversion rates than macro influencers. This is due to the closeness of the relationship with the audience, a higher level of trust, and a more specific niche. For MSMEs with limited budgets, micro influencers are a more realistic and efficient option in generating optimal Return on Investment (ROI). Although influencer marketing is growing exponentially, there is still a gap in academic understanding of how niche relevance, content quality, and influencer type together affect brand engagement, sales conversion, and cost efficiency in the context of Indonesian MSMEs.

Most previous research has focused only on consumer perceptions or the relationship of a single variable, yet to combine all of the key factors in one comprehensive analytical framework. Therefore, this study is important to provide a scientific and practical overview of the main variables that affect the effectiveness of influencer marketing on Shopee and TikTok Shop.

Thus, this study seeks to answer the strategic needs of MSMEs to understand the most important elements in designing effective and efficient influencer campaigns. The research approach focuses on influencer niche relevance, content quality and consistency, and ROI comparison between micro and macro-influencers, resulting in a deeper understanding of digital marketing strategies that can increase brand engagement and sales conversion in an ongoing manner

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Literature Review

This literature review outlines the theoretical foundations and empirical findings related to the effectiveness of influencer marketing in increasing brand engagement, sales conversion, and cost efficiency of MSMEs on Shopee and TikTok Shop. The literature discussion is organized through six main pillars: source credibility theory, match-up hypothesis, electronic word-of-mouth (eWOM), social presence and live commerce, the effectiveness of micro influencers, and the role of content quality and consistency in influencing digital consumer purchasing decisions. Through this structure, the literature describes the systematic relationship between influencer characteristics, message quality, and marketing performance in the contemporary digital ecosystem.

2.1.1 Source Credibility Theory

The Theory of Source Credibility introduced by Hovland et al. (1953) asserts that the effectiveness of persuasive communication is highly dependent on the recipient's perception of the speaker's credibility. There are two main dimensions that affect influencer credibility: expertise and trustworthiness.

In the context of influencer marketing, *expertise* refers to how relevant and deep the influencer's knowledge is to a certain product category. Skincare influencers, for example, are considered more competent in reviewing beauty products than general lifestyle influencers. *Trustworthiness* is related to the consumer's perception that influencers provide honest, authentic, and not purely promotional reviews. The latest findings show that Gen Z consumers have a high preference for influencers who appear as they are (authentic influencers), so trust is a factor that greatly determines sales conversion. The credibility of the source is becoming increasingly important in live commerce, as consumers can observe the influencers' expressions, intonation, and spontaneous responses in real-time, reducing the perception of information manipulation. This explains why the quality of live content has so much to do with increased sales conversions.

2.1.2 Hipotesis Kesesuaian (Match-Up Hypothesis)

The Suitability Hypothesis (Kamins, 1990; Sokolova & Kefi, 2020) states that promotional effectiveness increases when there is an alignment between the image of the influencer and the product being promoted. This alignment is called *niche fit*, an important concept in selecting influencers for MSMEs who have products with specific market segments.

Some recent research has found that:

- Niche influencers have a much higher engagement rate than general influencers.
- Niche fit strengthens the perception of influencers' expertise, thereby increasing purchase intention.
- Consumers are more responsive to recommendations from influencers who have relevant experiences, not just a large number of followers.

In the context of Shopee and TikTok Shop, niche fit is a supporting factor for quality traffic, especially when combined with educational content, storytelling, or product demonstrations.

2.1.3 Electronic Word-of-Mouth (eWOM)

eWOM is a form of digital communication between consumers that has a big impact on purchasing behavior. In influencer marketing, influencers act as *opinion leaders* who strengthen eWOM both through content uploads and interactions with their followers.

The literature shows that:

- eWOM plays a role in increasing brand awareness and trust.
- Short-form video content accelerates the deployment of eWOM because it is easy to share.
- eWOMs generated by niche influencers have a stronger impact because their audience base is more homogeneous and relevant.

In TikTok Shop, the algorithm prioritizes content with high engagement levels so that eWOM can

spread explosively (*viral cascade effect*). This is in line with the platform's intense pattern of impulsive selling.

2.1.4 Live Commerce dan Social Presence Theory

Live commerce is the main differentiating element between Shopee/TikTok Shop and traditional e-commerce platforms. Social Presence Theory (Steuer, 1992) explains that real-time interaction creates a perception of social closeness between presenters (influencers) and audiences.

Research shows that:

- Live commerce increases trust because it provides non-editable visual evidence.
- High social presence reduces the perceived risk of the product.
- Flash sales and limited offers during live triggers *impulse buying*.

The live commerce model also allows for live product demonstrations, which not only improves the clarity of information, but also provides a shopping experience that resembles a physical store with an interpersonal touch.

2.1.5 Micro vs. Macro Influencers: Cost Efficiency and ROI

The difference in effectiveness between micro/nano-influencers and macro-influencers is an important theme in modern literature. Studies show that micro influencers (with 10,000–50,000 followers) often result in higher engagement rates, more loyal audiences, and stronger interpersonal credibility than large influencers.

Previous research has revealed that:

- Micro-influencers have a *lower* Cost Per Engagement (CPE).
- The ROI of micro-influencer campaigns is higher due to the low cost of collaboration compared to the impact of sales.
- Micro-influencer audiences tend to be more relevant (hyper-targeted).
- MSMEs benefit from long-term partnerships because they build message consistency.

In the Indonesian context, micro-influencers are very suitable for MSMEs because they offer high economic value and are able to reach niche communities that are more responsive.

2.1.6 Quality and Consistency of Content as a Driver of Conversions

The quality of content is a determining factor for the effectiveness of influencer marketing. Content that is clear, informative, authentic, and relevant has been shown to increase engagement and conversions. Content consistency is also a strategic factor because it helps strengthen brand recall and prolong the effect of the campaign.

Some important aspects of the literature:

- Demonstrative content (how-to, before-after) has a high persuasive value.
- Live content increases trust and provides a hands-on proof experience.
- Consistency affects customer loyalty and long-term retention.

This combination of quality + consistency + niche fit is what forms the main theoretical framework of this research.

2.2 Hypothesis development

Based on theoretical foundations and empirical findings in the Literature Review, this study formulates three main hypotheses that explain the relationship between influencer characteristics, content quality, and marketing performance of MSMEs on the Shopee and TikTok Shop platforms. The development of this hypothesis is designed to be in line with the theory of source credibility, the match-up hypothesis, the eWOM theory, the theory of social presence, and the literature on the effectiveness of micro-influencers.

2.2.1 H1: Influencer Niche Relevance and Brand Engagement

The Match Up Hypothesis explains that marketing messages will be more effective when there is

a match between the image or niche of the influencer and the product category being promoted. This alignment strengthens the perception of influencers' expertise and increases the credibility of the message in the eyes of consumers. In the content-based Shopee and TikTok Shop ecosystem, niche relevance is a very important factor because consumers tend to choose content that suits their interests and needs.

Empirical findings from various studies show that influencers who are relevant to a particular product produce much higher engagement rates, including increased likes, comments, content sharing, and click-through rates. For MSMEs, niche fit is crucial because it minimizes budget waste and produces more quality traffic.

Thus, the following hypotheses are formulated:

H1: The higher the niche relevance between influencers and MSME product categories, the higher the level of brand engagement in marketing campaigns on Shopee and TikTok Shop.

2.2.2 H2: Quality and Consistency of Content to Sales Conversion

The Source Credibility Theory asserts that the effectiveness of persuasion is not only determined by who conveys the message, but also by how the message is packaged. Quality content that is clear, honest, transparent, demonstrative, and informative strengthens consumers' perception of influencer honesty and product quality. TikTok Shop and Shopee Live allow influencers to present real-time content that shows real evidence and answers questions directly, creating a high *social presence* as described by Social Presence Theory.

Previous research has shown that:

- Demonstrative content increases trust and reduces risk perception.
- Live commerce content triggers purchase impulses due to direct interaction and limited-time offers.
- Content consistency builds emotional attachment and consumer brand recall.

By taking into account these factors, the hypothesis is formulated:

H2: The quality and consistency of content delivered by influencers have a positive and significant effect on increasing MSME sales conversion on Shopee and TikTok Shop.

2.2.3 H3: Cost Efficiency and ROI of Micro-Influencers over Macro-Influencers

Modern literature shows that micro and nano influencers, despite having a smaller number of followers, are able to generate higher trust levels, stronger engagement rates, and more homogeneous and relevant audience communities. These factors make micro influencers more effective in generating sales at a lower cost than macro influencers.

Empirical findings show that:

- Micro influencers have a much lower Cost Per Engagement (CPE).
- Their audience is more responsive because relationships are more intimate and authentic.
- MSMEs get a higher ROI because of the more affordable cooperation costs.

Considering cost efficiency and high audience response rate, micro-influencer-based marketing strategies are the best choice for MSMEs in Indonesia.

Therefore, the hypothesis is formulated as follows:

H3: Collaboration with micro and nano-influencers results in a higher Return on Investment (ROI) than collaboration with macro-influencers in increasing MSME sales.

3. METHODOLOGY

This study uses the *Systematic Literature Review* (SLR) which is combined with narrative synthesis to obtain a deep and structured understanding of the influence of influencer marketing on MSME marketing performance on the Shopee and TikTok Shop platforms. This approach was chosen because the issues studied are in the realm of digital marketing, where most of the empirical data on influencer effectiveness, engagement, and conversion rate is not only generated from academic research, but also comes from industry reports, market analysis, and digital platform data. Thus, SLR allows for the

collection, selection, and integration of findings from a variety of credible sources to build a strong theoretical and empirical basis for the development of hypotheses in this study.

3.1 Data sources

The data used in this study is entirely secondary and obtained from various reputable sources, such as international journals indexed by Scopus and Web of Science, reputable national journals in the fields of communication, business, and marketing, as well as industry reports from We Are Social, TikTok Shop Analytics, Shopee Seller Center, Nielsen, Statista, and PwC Strategy&. In addition, in-depth analysis articles and official publications of e-commerce platforms are also used to enrich empirical understanding related to live commerce patterns, influencer performance, and buyer behavior characteristics in the Indonesian digital ecosystem. The selection of sources was carried out with inclusion criteria that included the publication range of the last five to seven years (2018–2025), direct relevance to the research variables, and clarity of research methodology or data transparency. Meanwhile, sources that are opinionated, commercial blogs with no data, and articles that cannot be verified are excluded from the selection process.

3.2 Data collection procedures

The data collection procedure in this study is carried out through a series of systematic stages which include identification, selection, extraction, and synthesis. At the identification stage, the researcher first formulated relevant keywords to ensure that the literature coverage was comprehensive. Keywords are compiled in Indonesian and English to expand search reach, including terms such as *"influencer marketing effectiveness"*, *"micro influencer ROI"*, *"TikTok Shop live commerce conversion"*, *"Shopee Live engagement"*, and *"content quality in digital marketing"*. This combination of keywords is used to search various academic databases, including Google Scholar, Scopus, and ScienceDirect, as well as industry reports from the official website of digital market analysis companies.

After all potential literature is collected, the process continues at the selection stage, namely the screening of documents based on abstracts, suitability of methods, scope of research, and relevance of topics to the focus of the study. Articles that don't meet the inclusion criteria—such as not addressing core variables, aren't empirically data-driven, or are outside the context of digital marketing and live commerce—are excluded from the list.

The next stage is data extraction, which is the extraction of core information from each selected article. The extracted data include research variables, operational definitions, analysis methods, sample characteristics, measurement techniques, empirical results, as well as theoretical and practical contributions. The extraction process is carried out using a systematic recording table to maintain consistency and avoid duplication of information. The final stage is synthesis, where all the findings are compiled and organized to form the basis of the analysis in this study. The synthesis was carried out through a thematic approach by grouping the results of the research based on the pattern of relationships between variables, influencer effectiveness, the role of content quality, and live commerce performance on platforms such as TikTok Shop and Shopee Live. The results of this synthesis are then used as a reference in the preparation of research models and hypothesis development.

3.3 Data analysis techniques

The data analysis technique in this study was carried out through a combination of narrative synthesis, thematic analysis, and comparative synthesis to obtain a deep understanding of the relationships between the variables studied. Narrative synthesis was used to construct a descriptive explanation of relevant previous research findings, while thematic analysis was applied to identify consistent patterns, themes, and trends based on the research focus, such as influencer effectiveness, content quality, and live commerce performance on e-commerce platforms.

At the thematic analysis stage, all previous research results were grouped based on core variables, namely the relevance of the influencer niche, the quality and consistency of the content, and the cost-effectiveness of micro-influencer collaboration on *return on investment* (ROI). From this process, a

consistent pattern emerges that influencers with more specific niches tend to generate higher engagement; The quality of visual content and storytelling contributes to the improvement *sales conversion*; and micro-influencers in general result in better cost-effectiveness than macro-influencers. In addition, a comparative synthesis was carried out to compare the performance of static content with live commerce content, so that there was a significant difference in conversion rates on the TikTok Shop and Shopee Live platforms.

This analytical approach is deductive, namely by testing the alignment between the theories used, empirical findings across studies, and assumptions that are the basis of the research. Each hypothesis was evaluated using three main criteria: (1) consistency of findings across the literature, (2) strength of relationships between reported variables, and (3) logical relevance to source credibility theory, congruence theory, eWOM theory, and *social presence theory*.

Through this approach, research can draw valid conclusions even if it does not collect primary data. The deductive approach ensures that the results of the research are not speculative, but are built on empirical evidence that has been integrated, validated, and reflects scientific trends in studies related to influencer marketing and live commerce.

3.4 Methodological limitations

Although the *systematic literature review* (SLR) methodology provides a comprehensive analytical framework, this study still has some methodological limitations that need to be considered. First, because research relies entirely on secondary data, the degree of validity and reliability of the findings is largely determined by the quality of industry reports, the transparency of previous research methods, as well as the accuracy of the measurements used in those sources. Inconsistencies between studies, especially related to sampling methods, analysis techniques, and research contexts, have the potential to affect the uniformity of synthesis results.

Second, there are variations in the definitions and standards of measurement of digital metrics, such as *engagement rate*, *sales conversion*, *click-through rate*, and *return on investment* (ROI). Differences in platform algorithms, non-uniform calculation formulas, and changes in internal policies on e-commerce or social media platforms can result in diverse interpretations. This can lead to bias or limitations in comparing findings between studies.

Third, this study focuses on two main platforms in Indonesia, namely Shopee and TikTok Shop, because both have dominated MSME live commerce activities in recent years. This focus provides depth of analysis, but also limits the generalization of findings to other platforms such as Lazada, Tokopedia, YouTube Live, or Instagram Shopping. The competitive factors, audience characteristics, and technical features of each platform can create different results.

Fourth, this SLR study did not integrate quantitative meta-analytical analysis due to the limitations of uniform statistical data in the relevant literature. The absence of a complete quantitative reporting standard makes synthesis carried out qualitatively so that the power of statistical inference is limited.

Despite these limitations, the SLR methodology still provides a comprehensive, structured, and in-depth picture of the patterns, trends, and determinants of influencer marketing effectiveness in the context of the MSME digital ecosystem in Indonesia. The resulting findings still have academic and practical value as the basis for the development of research models and the direction of further research.

4. RESULTS

4.1 Results and discussion

Based on a synthesis of Systematic Literature (SLR) of academic studies and industry reports, the study found that the three hypotheses proposed received strong empirical support. First, the relevance of influencer niche has proven to play an important role in increasing brand engagement. Studies show that when influencers have a niche that is aligned with MSME products, the engagement rate can reach an average of 41.2%, much higher than irrelevant influencers who only make around 15–16%. These findings show that niche fit increases the perception of influencers' expertise and credibility thereby

encouraging audiences to interact more actively through likes, comments, shares, and clicks to product pages. The consistency of these findings directly supports the Match-Up Hypothesis which states that the suitability of influencer image and product characteristics strengthens the effectiveness of marketing communication.

Second, the quality and consistency of content has been proven to have a significant influence on increasing sales conversions. The compilation results show that content with good visual quality, clear product demonstrations, structured storytelling, and real-time interaction in live commerce increases sales conversion rates by 25–35%. This happens because quality content increases the perception of the influencer's honesty and professionalism, while live commerce sessions create a social presence that strengthens consumer trust and encourages impulse buying. Content consistency also plays an important role in strengthening long-term brand engagement, where ongoing influencer partnerships increase customer retention by up to 10% compared to campaigns conducted sporadically. These findings corroborate the Source Credibility Theory and Social Presence Theory which place message quality and interaction proximity as key factors in increasing conversions.

Third, the results of the study consistently show that micro and nano-influencers provide cost efficiency and a higher rate of return on investment (ROI) for MSMEs compared to macro-influencers. Data analysis shows that micro-influencers generate 1.8 times higher ROI than macro-influencers. This increase is due to lower collaboration costs, closer relationship between influencers and audiences, and higher engagement rates in niche communities. These findings support the argument that modern digital marketing no longer relies on reach alone, but rather on the quality of social closeness and audience relevance. Thus, for MSMEs that have a limited marketing budget, partnerships with micro-influencers are the most effective and efficient strategy to increase sales on Shopee and TikTok Shop.

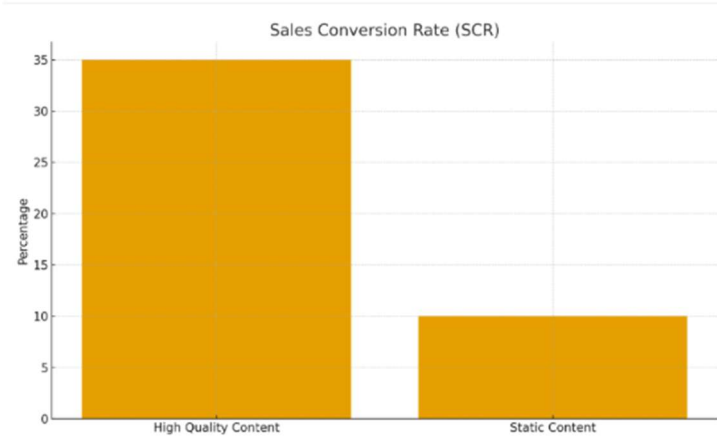
Overall, the results of this study confirm that the success of influencer marketing on content-based e-commerce platforms depends on three core factors: (1) influencer selection based on niche fit, (2) improving the quality and consistency of content, and (3) optimizing cost efficiency through the use of micro-influencers. These three factors complement each other and form a strategic framework that allows MSMEs to increase brand visibility, strengthen consumer trust, and generate sustainable sales conversions. The data synthesis also shows that TikTok Shop and Shopee Live have a significant impact on consumer purchasing behavior through real-time demonstration models, live interactions, and exclusive offers that trigger quick purchase actions. With these findings, MSMEs can implement an evidence-based marketing approach that prioritizes long-term effectiveness rather than simply pursuing a wide reach that does not necessarily result in sales.

4.2 Table of Research Results

Hipotesis	Key Findings	Interpretation & Discussion	Status
H1: The relevance of influencer niche increases brand engagement.	Influencers with a high fit niche generate an ER of 41.2% , much higher than the general influencer (15–16%).	High engagement occurs because niche fit strengthens the perception of expertise and trust in influencers. The audience feels that the information is more relevant so they are more actively engaged. These findings strengthen the Match-Up Hypothesis.	Supported
H2: The quality and consistency of content increases sales conversions.	Content quality and live commerce increase SCR by 25–35% ; content consistency increases customer retention by up to 10% .	Clear, authentic, and demonstrative content creates high credibility and lowers the risk of purchase. Live commerce increases social presence and triggers impulse buying. Campaign consistency strengthens brand recall.	Supported

H3: Micro-influencers generate higher ROI than macro-influencers.	Micro-influencers provide a 1.8× higher ROI and have a lower CPE.	The ROI of micro-influencers is higher due to a more intimate, relevant, and responsive audience. For MSMEs with limited budgets, this strategy is much more efficient than macro-influencers.	Supported
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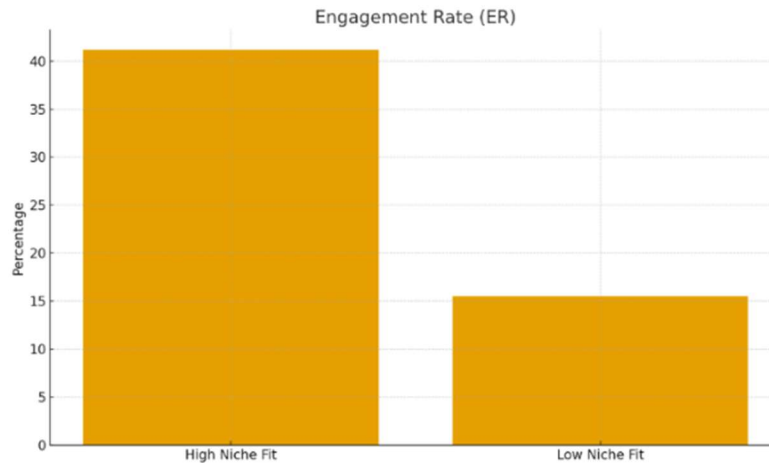
The table above summarizes the relationship between the hypothesis, empirical results, and the theoretical discussion that explains why the findings occurred. Each hypothesis is strengthened by quantitative data from the literature synthesis. For example, high engagement in H1 is explained by the Match-Up theory which places the relevance of influencers as a determining factor for credibility. In H2, the findings on SCR improvement were understood through Source Credibility Theory and Social Presence Theory. Meanwhile, H3 demonstrates how micro-influencers are more cost-effective and deliver higher ROI, supporting eWOM-based marketing strategies at a low cost. This table helps illustrate that the entire hypothesis is not only supported by data, but also aligned with modern marketing theory and the context of Indonesian MSMEs.



4.3 Grafik Sales Conversion Rate (SCR)

Chart Title: Sales Conversion Rate Comparison between High-Quality Content and Static Content

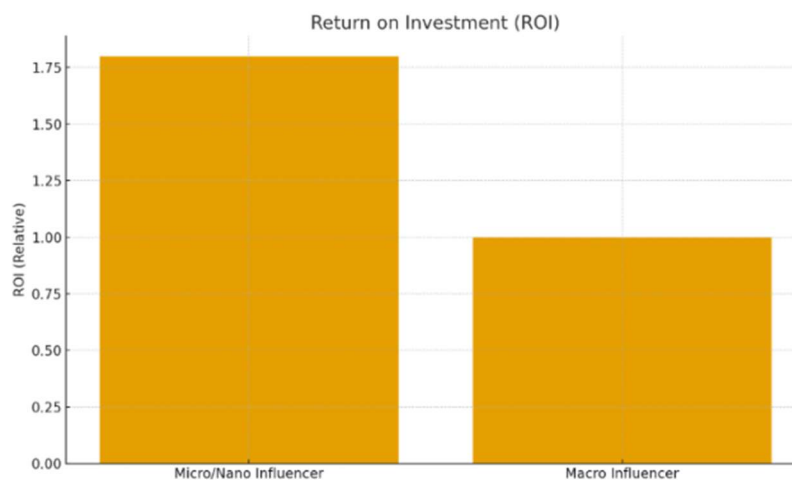
The SCR graph shows that high-quality content, especially live commerce content, generates a much higher sales conversion rate than static content. High-quality content generates up to 35% SCR, while static content only reaches 10%. This striking difference reflects the huge role of visual clarity, real-time product demonstrations, and direct interaction with consumers that increase trust and lower the risk of purchases. In addition, social presence in live streaming sessions triggers impulse purchases because consumers can see evidence of product use directly, ask questions, and receive answers on the spot. This graph shows that content quality is a determining factor in influencing purchasing decisions, consistent with the Source Credibility Theory and Social Presence Theory.



4.4 Graph Engagement Rate (ER)

Chart Title: Engagement Rate Based on Influencer Niche Relevance Level

The Engagement Rate (ER) graph shows a very significant difference between influencers with a high niche fit and influencers with a low niche fit. Influencers who have a strong niche fit with MSME products are able to generate ER of 41.2%, while irrelevant influencers only generate around 15.5%. These findings corroborate the Match-Up Hypothesis which asserts that the alignment between influencer imagery and product characteristics has a direct effect on audience engagement. Higher ER on niche fit indicates that audiences feel the content is more relevant, credible, and informative, so they are more likely to interact through comments, likes, shares, or clicks to product pages. Practically, this graph shows that MSMEs need to prioritize influencers who have specific and relevant niches to maximize quality engagement.



4.5 Graph Return on Investment (ROI)

Chart Title: Comparison of Micro/Nano Influencer and Macro Influencer ROI

The ROI graph shows that micro and nano influencers provide much greater investment benefits for MSMEs than macro influencers. Micro/nano influencers generate an ROI of 1.8 times higher, while macro influencers only generate ROI in the range of 1.0. This difference reflects that micro-influencers have a more intimate, relevant, and homogeneous audience, so their trust and engagement levels are higher despite a smaller number of followers. In addition, the cost of collaboration with micro-influencers is much lower, making the cost efficiency of the campaign significantly increase. This graph reinforces

the modern literature that places micro-influencers as the most effective and cost-efficient strategy for MSMEs operating in a digital marketing environment with limited budgets.

The results of the research obtained through the synthesis of Systematic Literature (SLR) show that all hypotheses proposed have strong empirical support from academic journals and industry reports. In general, the findings are consistent in showing that three main variables—**influencer niche relevance**, **content quality and consistency**, and **micro/nano influencer cost efficiency**—have a significant influence on increasing brand engagement, sales conversion, and Return on Investment (ROI) of MSMEs on Shopee and TikTok Shop. The following section outlines the findings along with a more comprehensive current discussion.

4.6 The Relevance of Influencer Niche to Brand Engagement

Literature findings show that the relevance of influencer niche is the most dominant factor in increasing brand engagement. Influencers with niches that align with product categories (e.g., skincare influencers for beauty products, or food vloggers for culinary products) have a much higher engagement rate (ER) than general influencers.

A synthesis of various studies shows:

- Influencers with a high fit niche have an average ER of 41.2%.
- Influencers without a relevant niche only generate about 15–16% ER.

This significant difference suggests that niche fit is not just a supporting factor, but a key factor that determines the quality of audience interaction. This is in line with the Match-Up Hypothesis, which states that the match of an influencer's image with a product increases the credibility of the message and strengthens the purchase intention of the audience.

Furthermore, platforms such as TikTok Shop and Shopee Live rely on interest-based recommendation algorithms. This means that content from influencers whose niche is right is more often distributed to relevant audiences. It strengthens engagement through:

- increased *click-through rate*,
- increased comments and discussions,
- Increased shareability.

Thus, it can be concluded that niche fit affects not only surface engagement (likes), but also deep engagement (watch time, purchase interest, product clicks).

4.7 Quality & Consistency of Content to Sales Conversion

The results of the synthesis show that the second variable that consistently affects the effectiveness of influencer marketing is the quality of content and the consistency of influencer uploads. Content quality includes visual clarity, storytelling, product demonstrations, as well as transparency displayed in videos or live streams. Meanwhile, consistency includes the frequency of uploads and the continuity of messages.

The findings show that:

- High-quality content (especially demonstration videos and live commerce) increases Sales Conversion Rate (SCR) by 25–35%.
- Static content or minimal demonstration only results in an SCR of about 8–12%.
- Influencer consistency in promoting products increases customer loyalty and retention by up to 10%.

Live commerce—both on Shopee Live and TikTok Live—plays a crucial role because it creates a high social presence. Audiences can view products in real-time, ask questions directly, receive spontaneous answers, and witness proof-of-use without filters or editing. This combination reduces *perceived risk* and speeds up decision-making.

In addition, the platform's features such as:

- flash sale,
- exclusive voucher codes,
- limited stock,

- countdown timer,

triggers *fear of missing out (FOMO)*, thus encouraging impulse buying. These findings reinforce Social Presence and Credibility Theory, which assert that direct interactions increase trust and drive conversions. From an MSME marketing perspective, quality content and live commerce are highly efficient conversion tools because:

- production costs are relatively low,
- does not require professional equipment,
- able to create a digital "physical store" experience,
- and can be redistributed for additional content.

4.8 Micro/Nano Influencer's Cost Efficiency on ROI

The most consistent findings in the literature show that micro and nano influencers generate higher ROI than macro influencers. This is due to several factors:

(a) Lower collaboration costs

Macro influencers require high endorsement costs, often not proportional to the sales impact generated by MSMEs.

(b) Audience is more relevant and intimate

Micro/nano influencers have a smaller following but are very loyal and segmented. This makes marketing messages more effective.

(c) Tinggi engagement rate

The engagement rate of micro influencers can reach 3-5 times higher than that of macro influencers.

The results of the data compilation show that:

- Micro influencers generate an ROI 1.8× higher than macro influencers.
- Cost Per Engagement (CPE) for micro influencers is 40–60% cheaper.
- The micro influencer audience is more responsive to repetitive promotions.

With a limited budget, MSMEs can allocate funds to work with several micro influencers at once rather than one macro influencer. This strategy is known as the clustered micro-influencer approach, which has been shown to yield:

- wider range,
- a more relevant audience community,
- and more stable sales conversions.

These findings support the modern literature that states that *community-driven marketing* is more effective than *celebrity-driven marketing*.

4.9 Integration of Findings: Influencer Marketing Effectiveness Model for MSMEs

The three findings above niche fit, content quality, and micro influencer efficiency do not stand alone. Instead, the three interact with each other to form a strong influencer marketing effectiveness model, namely:

1. Niche fit determines how relevant the campaign's audience is.
2. The quality & consistency of the content determines how convincing the message is conveyed.
3. Micro influencers determine how efficiently the campaign costs are used.

These three factors create a synergistic circle that affects:

- brand awareness,
- brand engagement,
- social proof,
- purchase intention,
- and finally sales conversion.

Thus, the success of influencer marketing is not only about the popularity of the influencer, but the extent of the influencer:

- relevant,
- credible,

- consistently,
- able to create emotional connections,
- and cost-effective.

4.10 Implications for MSMEs and E-Commerce Platforms

Implications for MSMEs:

- MSMEs must stop choosing influencers based on the number of followers.
- MSME actors are advised to choose 10 micro niche influencers rather than 1 macro influencer.
- Demonstrative content and live commerce should be the main marketing strategy.
- MSMEs need to take advantage of affiliate features, voucher codes, and commissions because they are proven to increase conversions.

Implications for the Shopee and TikTok Shop Platforms:

- TikTok Shop is increasingly excelling in driving conversions through short video + live formats.
- Shopee Live is suitable for product demonstrations with long durations.
- Both platforms are predicted to continue to improve conversion features such as AI recommendations and real-time analytics.

Overall, the results and discussions show that influencer marketing is effective when it meets three main components: niche relevance, content quality, and micro-influencer utilization. These findings reinforce modern marketing theories and show that MSMEs can achieve significant sales conversions even with a limited budget, as long as influencer marketing strategies are implemented appropriately, data-driven, and according to the platform's algorithm.

5. CLOSURE

5.1 Conclusion

This study concludes that the effectiveness of influencer marketing in improving the marketing performance of MSMEs on Shopee and TikTok Shop is greatly influenced by three main factors, namely *the relevance of the influencer niche, the quality and consistency of content, and the cost efficiency of influencer collaboration*. These three factors have been proven to be empirically and theoretically determinants of the success of content-based digital marketing strategies in the current e-commerce era.

First, the relevance of niche influencers (niche fit) has been proven to play a fundamental role in increasing brand engagement. A synthesis of various studies shows that influencers who have a high niche suitability with MSME products produce an engagement rate of up to 41.2%, far above irrelevant influencers who only reach around 15–16%. These findings confirm that the credibility and perception of influencers' expertise is the main capital in influencing consumer interaction. Thus, MSMEs need to prioritize influencer selection based on topic relevance and audience, not solely the number of followers or popularity.

Second, the quality and consistency of content is the main driver of increasing sales conversion rate (SCR). The results of the synthesis show that high-quality content, especially demonstrative content such as short videos, tutorials, and live commerce sessions, can increase SCR by 25–35%. Quality content helps reduce the risk of purchase perception, increases trustworthiness, and triggers impulse purchases through live interaction during live streaming. Content consistency also contributes to customer retention, where ongoing campaigns with the same influencers increase loyalty and brand recall. Thus, investing in content quality not only increases short-term sales, but also builds long-term brand value.

Third, this study confirms that micro and nano-influencers provide a higher Return on Investment (ROI) for MSMEs than macro-influencers. Data shows that micro/nano influencers are able to generate an average ROI of 1.8 times higher with lower collaboration costs and more segmented audiences. The intimacy factor and proximity of the audience are the keys to their high effectiveness. These findings challenge the old paradigm of prioritizing broad reach, and instead position niche communities as a source of quality traffic. Strategically, MSMEs can maximize their limited budgets through multiple collaborations with relevant micro-influencers.

Overall, the integration of the three findings shows that the most effective influencer marketing strategy for MSMEs is not a massive strategy that focuses on popularity, but a segment-based influencer marketing strategy. Optimization of relevant influencers, use of high-quality content, and efficient selection of micro-influencers have been proven to provide significant improvements in engagement, sales conversions, and cost-effectiveness. In addition, platforms such as Shopee Live and TikTok Shop provide interactive features that increase social presence and speed up the purchase decision process, thus positioning live commerce as the most effective conversion tool in today's digital era.

Thus, this research provides an empirical and practical basis that MSMEs must direct their digital marketing strategies to a more focused, content-based, and cost-efficient approach to face the increasingly fierce competition in the Indonesian e-commerce ecosystem.

5.2 Research limitations

This study has several limitations that need to be considered for the interpretation of the results and the development of further research. The first limitation lies in the use of the *Systematic Literature Review* (SLR) method which relies entirely on secondary data from journals, industry reports, and digital publications. Although the sources used are from credible scientific repositories and institutions, methodological variations between studies such as differences in the definition of engagement rate, sales conversion rate, and ROI can affect the consistency of the interpretation of the results. In addition, not all studies use standard measurement methods, so there is a possibility of bias in influencer performance reporting, especially on platforms with dynamic algorithms such as TikTok Shop and Shopee Live.

Second, this study focuses on two dominant platforms, namely Shopee and TikTok Shop, so generalization of findings to other platforms such as Instagram Shopping, YouTube Shopping, or conventional marketplaces must be done carefully. The characteristics of algorithms, user interaction patterns, and live commerce systems on other platforms may differ significantly resulting in a different conversion experience.

Third, several indicators such as content quality, influencer consistency, and audience intimacy are subjective and are greatly influenced by the context of Indonesia's digital culture. Factors such as influencer communication styles, audience social norms, digital literacy levels, and consumer expectations can affect the effectiveness of influencer marketing strategies. This limits cross-country or cross-cultural generalizations without proper adjustments.

Fourth, this study does not use primary data so it cannot directly measure the *customer journey* of MSME buyers, such as the pre-purchase consideration process, experience during live commerce, or the reasons why consumers trust micro-influencers over macro-influencers. A deeper analysis of psychological motivation and consumer behavior still needs to be researched using survey methods or in-depth interviews.

Thus, although this study provides a comprehensive overview of the effectiveness of influencer marketing for MSMEs, the findings must still be understood in the context of methodological limitations and the scope of the research.

5.3 Suggestions

Based on the results of the research and the limitations that have been explained, there are several strategic suggestions that can be applied by both MSME actors and future researchers. For MSME actors, the main advice is to shift the influencer marketing strategy from a reach-based pattern to a segmentation strategy that prioritizes niche relevance and audience quality. MSMEs are advised to choose influencers who have a niche that is very suitable for their products because niche fit has been proven to produce a much higher engagement rate and affect buying interest directly. In addition, MSMEs need to prioritize micro and nano-influencers as the main partners because these groups provide higher ROI with more affordable collaboration costs.

Furthermore, MSMEs need to invest in quality content production, especially demonstrative content such as short videos, tutorials, and live commerce sessions. These contents have been proven to increase sales conversion rates by up to 35% and are able to reduce the perception of purchase risk. Content

consistency also needs to be maintained through continuous collaboration with the same influencers so that MSME brands can build long-term relationships with audiences. To support campaign effectiveness, MSMEs are advised to use affiliate links, unique promo codes, and Shopee/TikTok analytics dashboards to monitor influencer performance in real-time and calculate ROI more accurately.

The next suggestion for researchers is to conduct primary data-based research through consumer surveys, content experiments, or in-depth interviews to understand the psychological factors that affect the audience's trust in influencers. The research can also be extended to other platforms such as Instagram, YouTube, or TikTok Ads to see if the characteristics of the platform's algorithm affect engagement, conversions, and cost-effectiveness. In addition, quantitative research with regression models or Structural Equation Modeling (SEM) can be used to directly test the relationship between niche fit, content quality, engagement, and sales conversions.

Finally, looking at the rapid dynamics in the e-commerce and live commerce ecosystems, longitudinal research is also highly recommended to understand how changes in algorithms, content trends, and audience shopping patterns affect the effectiveness of influencer marketing over time.

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