ISSN: 2338-8412 e-ISSN : 2716-4411

Ekombis Review – Jurnal Ilmiah Ekonomi dan Bisnis
Available online at : https://jurnal.unived.ac.id/index.php/er/index
DOI: https://doi.org/10.37676/ekombis.v14i3

Beyond The Principal–Agent Dyad: How MCN Governance Structures Shape Social Proof Mechanisms And Monetization Outcomes In Live-Streaming Social Commerce Ecosystems

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How to Cite :
Manik, C, P., Fadli., Nasution, M, D, T, P. (2026). Beyond The Principal–Agent Dyad: How MCN Governance Structures Shape Social Proof Mechanisms And Monetization Outcomes In Live-Streaming Social Commerce Ecosystems. EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis, 14(3). DOI: https://doi.org/10.37676/ekombis.v14i3

ARTICLE HISTORY
Received [03 Juny 2026]
Revised [05 July 2026]
Accepted [11 July 2026]

KEYWORDS
TikTok Agency, Live-Streaming Marketing, Digital Gifting, Social Proof, Talent Management, Social Commerce.

ABSTRACT

The proliferation of live-streaming commerce has reconfigured digital marketing landscapes, yet Multi-Channel Networks (MCNs) remain systematically mischaracterized as exploitative intermediaries depleting creator earnings. Drawing upon Agency Theory, Relationship Marketing, and Social Proof Theory, this study develops a conceptual framework theorizing the strategic governance role of MCNs in talent marketing management, emphasizing digital gift distribution optimization and deliberate social proof construction on TikTok. Critically, this study clarifies that agencies receive a 7–15% commission disbursed directly by TikTok a structural arrangement preserving streamer net revenue entirely, contradicting prevailing exploitative narratives. The framework demonstrates that MCNs function as ecosystem catalysts through technical infrastructure provision, algorithmic performance coaching, and incentive-based mechanisms including diamond injection programs that amplify viewer engagement and algorithmic visibility. Agencies further orchestrate social proof dynamics generating self-reinforcing gifting cascades within a symbiotic value co-creation ecosystem. This study contributes to platform governance, algorithmic creator economy, and social commerce intermediation literature by reconceptualizing MCNs as indispensable strategic ecosystem partners.

INTRODUCTION

The rapid development of digital technologies has fundamentally transformed the global business landscape, accelerating the emergence of social commerce as a dominant paradigm for online interaction, content consumption, and digital transactions. Social commerce platforms have evolved far beyond traditional e-commerce functions by seamlessly integrating entertainment, real-time communication, and purchasing activities into a unified digital ecosystem (Zhang & Benyoucef, 2016; Liang & Turban, 2011). This convergence has produced new hybrid consumption environments where digital entertainment and commercial exchange occur simultaneously, reshaping consumer behavior and market structures at an unprecedented pace. Among the platforms driving this transformation, TikTok has emerged as one of the most influential social commerce applications globally, facilitating short-form video content creation, interactive audience engagement, and real-time monetization through its live-streaming infrastructure (Cunningham & Craig, 2019; Nieborg & Poell, 2018; Kaye et al., 2021; Alalwan, 2018).

The platform's algorithmic recommendation system further amplifies content visibility, enabling creators to reach large and targeted audiences with unprecedented efficiency (Bucher, 2018; Cotter, 2019). The ability to combine immersive short-form video with interactive live-streaming has created new opportunities for individuals to participate in the creator economy while enabling brands and businesses to engage consumers in more authentic and emotionally resonant ways (De Veirman et al., 2017; Lou & Yuan, 2019; Cheung et al., 2021). As social media platforms continue to evolve, the boundaries between entertainment, marketing, and commerce have become increasingly blurred, generating new forms of digital value creation, consumer participation, and platform-mediated economic activity (Voorveld et al., 2018; Jacobson et al., 2020).

One of the most distinctive monetization mechanisms within TikTok's live-streaming ecosystem is digital gifting. Through this feature, viewers can purchase and send virtual gifts to content creators during live broadcasts as expressions of appreciation, social support, and community interaction. Unlike conventional online transactions, digital gifting is fundamentally driven by emotional attachment, social belonging, entertainment value, and social influence processes (Hu & Chaudhry, 2020; Wongkitrungrueng & Assarut, 2020; Sun et al., 2019; Lu et al., 2016). The decision to gift is rarely purely rational; instead, it reflects a complex interplay between hedonic motivations, parasocial connections, and normative social pressures operating within interactive digital environments (Babin et al., 1994; Horton & Wohl, 1956; Cialdini, 2009). Previous studies have consistently demonstrated that social presence, interactivity, and real-time communication significantly influence audience participation, engagement, and purchasing behavior within live-streaming environments (Hilvert-Bruce et al., 2018; Zheng et al., 2022; Chen & Lin, 2018). Furthermore, perceived streamer authenticity, relational intimacy, and emotional gratification have emerged as important predictors of gifting intention and monetization success within social commerce contexts (Xu et al., 2020; Wohn et al., 2018; Li et al., 2021). The increasing popularity of digital gifting has significantly expanded the creator economy, transforming live-streaming into a primary source of livelihood for millions of content creators worldwide. Consequently, developing a more comprehensive understanding of the managerial and marketing mechanisms that support digital gifting behavior has become increasingly urgent in contemporary social commerce research.

The rapid growth of live-streaming commerce has also catalyzed the emergence and institutionalization of Multi-Channel Networks (MCNs), commonly referred to as creator agencies. These organizations function as intermediary entities that bridge digital platforms and content creators by providing talent management services, content strategy guidance, audience development support, performance monitoring, branding assistance, and monetization optimization (Lobato, 2016; Liang & Ji, 2024; Cunningham & Craig, 2019). Within platform-based ecosystems, agencies play a strategic role in reducing coordination complexity, managing creator compliance with platform policies, and facilitating structured communication between creators and platform operators. Previous studies have emphasized that digital intermediaries are becoming increasingly essential in platform governance, particularly as content communities continue to scale and the complexity of creator management increases (Poell et al., 2022; Gillespie, 2018; Gorwa, 2019). Research further indicates that MCNs function as ecosystem orchestrators by managing not only individual creator development but also collective community standards, competitive dynamics, and platform sustainability (Nieborg & Poell, 2018; Duffy et al., 2021). As a result, agencies have evolved from simple administrative management entities into sophisticated strategic partners that contribute actively to creator growth, algorithmic performance, platform scalability, and long-term ecosystem development.

Despite their growing institutional significance, the strategic role of TikTok agencies remains poorly understood by the broader public and inadequately examined within the academic literature. In many cases, agencies are perceived negatively and are often framed as exploitative entities that extract disproportionate economic benefits from creators' labor and earnings. Such perceptions have contributed to a persistent trust deficit between creators and agencies, despite the increasing institutionalization of agency-based creator management within major digital platforms. While existing studies have extensively examined influencer marketing effectiveness (De Veirman et al., 2017; Ki & Kim, 2019), social commerce consumer behavior (Hajli, 2015; Zhang & Benyoucef, 2016), parasocial interaction (Sokolova & Kefi, 2020; Yuan & Lou, 2020), and live-streaming engagement dynamics (Hilvert-Bruce et al., 2018; Xu et al., 2020), limited scholarly attention has been devoted to understanding the strategic contribution of agencies in optimizing creator performance and facilitating value creation within live-streaming ecosystems. Furthermore, the managerial logic underlying agency operations including their revenue model, incentive mechanisms, and governance functions has not been adequately theorized within the academic literature (Hou, 2019; Djafarova & Rushworth, 2017). More critically, there remains a significant gap in research examining how agency management practices systematically influence digital gift distribution, social proof formation, and audience engagement behavior within TikTok's platform ecosystem.

From a marketing management perspective, agencies may be conceptualized as strategic incubators and ecosystem facilitators that assist creators in developing personal brands, enhancing audience relationships, improving content performance, and maximizing monetization potential. Through structured coaching programs, systematic performance monitoring, incentive-based support mechanisms, and targeted audience development strategies, agencies contribute meaningfully to the optimization of creator visibility, engagement outcomes, and platform sustainability (Morgan & Hunt, 1994; Eisenhardt, 1989; Srnicek, 2017). One critical mechanism through which agency influence operates is social proof, a well-established psychological principle whereby individuals calibrate their behavior based on observed actions of others, particularly under conditions of uncertainty or ambiguity (Cialdini, 2009; Hajli, 2015; Lu et al., 2016). Within live-streaming environments, publicly visible gifting behaviors function as powerful social signals that communicate community endorsement, encourage additional audience participation, and reinforce collective gifting norms (Hilvert-Bruce et al., 2018; Zheng et al., 2022; Chen & Lin, 2018). Agencies, by strategically orchestrating gifting activities through organized support programs such as diamond injections and viewer mobilization campaigns, may systematically amplify these social proof effects and create positive feedback loops that enhance creator monetization outcomes. Consequently, social proof may function not merely as an organic audience behavior but as a deliberately managed marketing tool within agency-driven talent management systems (Wohn et al., 2018; Li et al., 2021; Xu et al., 2020).

Given the significant gap in scholarly understanding of agency-driven talent management within live-streaming commerce, this study seeks to examine the strategic role of TikTok agencies in optimizing digital gift distribution and facilitating social proof formation. By integrating theoretical perspectives from Agency Theory, Relationship Marketing, platform governance, creator economy research, and social influence literature, this study contributes to a broader understanding of how intermediary organizations support creator development, audience engagement, and sustainable value co-creation within contemporary digital ecosystems. The study further responds to growing scholarly calls to examine the institutional structures that govern digital labor and creator economies (Duffy et al., 2021; Abidin, 2021; Van Dijck et al., 2018). The findings are expected to enrich the evolving literature on platform-mediated commerce and provide actionable insights for creators, agency managers, platform operators, and digital marketing practitioners navigating the complexities of the rapidly evolving algorithmic economy.

LITERATURE REVIEW

Agency Theory and Relationship Marketing

Agency Theory, introduced by Jensen and Meckling (1976), explains the contractual relationship in which a principal delegates authority and decision-making responsibilities to an agent to perform specific tasks on their behalf. The theory identifies two fundamental challenges inherent in principal-agent relationships: information asymmetry, whereby agents possess superior knowledge about their own actions and capabilities, and moral hazard, referring to the tendency of agents to pursue self-interest at the expense of principal objectives (Eisenhardt, 1989). These challenges necessitate the design of governance mechanisms including monitoring systems, performance-based incentive structures, and contractual safeguards to align agent behavior with principal goals and reduce agency costs. Although initially developed within the context of corporate finance and organizational governance, Agency Theory has subsequently been extended to a wide range of organizational and digital platform settings where multiple actors interact through complex governance structures (Eisenhardt, 1989). More recent scholarship has applied Agency Theory to platform ecosystems, where intermediary actors including MCNs, app developers, and content moderators facilitate coordination, governance, and value creation among multiple stakeholders operating within technology-driven environments (Poell et al., 2022; Gillespie, 2018; Van Dijck et al., 2018). In digital platform economies, governance mechanisms increasingly rely on intermediary organizations to manage relationships among platforms, users, creators, and advertisers while reducing information asymmetry and coordination costs (Gorwa, 2019; Srnicek, 2017). Scholars have further observed that the growing complexity of platform ecosystems has elevated the strategic importance of intermediaries in managing creator activities, ensuring compliance with platform standards, and maintaining ecosystem sustainability (Bucher, 2018; Cotter, 2019).

Within the creator economy, the relationship among digital platforms, agencies, and content creators reflects a contemporary multi-layered agency structure characterized by nested contractual relationships and interdependent performance incentives. In this context, TikTok acts as the principal by establishing platform standards, monetization policies, algorithmic governance mechanisms, and performance expectations, while agencies function as intermediary agents responsible for managing creator development, monitoring performance metrics, facilitating communication between creators and the platform, and ensuring compliance with evolving platform requirements (Nieborg & Poell, 2018; Liang & Ji, 2024). Through this arrangement, agencies help reduce coordination complexity, improve creator management efficiency, and support the scalability of platform ecosystems across diverse creator communities (Lobato, 2016). Previous studies have suggested that digital intermediaries play increasingly critical roles in platform governance by coordinating creator activities, managing audience development strategies, mediating conflicts between platform policies and creator interests, and supporting ecosystem sustainability (Lobato, 2016; Cunningham & Craig, 2019;

Gorwa, 2019). Moreover, the growing creator economy has intensified the importance of intermediary actors in managing algorithmic visibility, content discoverability, and the structural dimensions of creator-platform relationships (Cotter, 2019; Abidin, 2021; Duffy et al., 2021). Research on digital labor further highlights that agencies may play protective roles by buffering creators from platform instability and supporting career sustainability within precarious creator work environments (Duffy et al., 2021; Poell et al., 2022). Consequently, Agency Theory provides a theoretically robust framework for understanding how TikTok agencies contribute to platform governance, creator performance optimization, and ecosystem sustainability within the rapidly evolving social commerce environment.

In addition to Agency Theory, Relationship Marketing offers an indispensable theoretical perspective for understanding audience engagement dynamics within live-streaming environments. Morgan and Hunt (1994) define Relationship Marketing as encompassing all marketing activities directed toward establishing, developing, and sustaining successful relational exchanges characterized by trust and commitment. Rather than prioritizing one-time transactional outcomes, Relationship Marketing emphasizes mutual trust, affective commitment, long-term interaction quality, and value co-creation as central drivers of sustained consumer relationships (Morgan & Hunt, 1994; Palmatier et al., 2006). Contemporary studies have consistently demonstrated that relationship quality encompassing trust, satisfaction, and emotional commitment significantly influences consumer engagement, loyalty, and purchase intentions within digital communities and social commerce platforms (Hajli, 2015; Lou & Yuan, 2019; Casaló et al., 2020). Furthermore, relationship-building mechanisms have become increasingly critical in creator-driven platforms, where sustained emotional connection, perceived authenticity, and interpersonal interaction quality directly influence audience participation and behavioral outcomes (Yuan & Lou, 2020; Tafesse & Wood, 2021; Schouten et al., 2020). Scholars in influencer marketing research further emphasize that the quality of creator-audience relationships mediates the effect of content exposure on engagement, gifting, and purchase behavior (Ki & Kim, 2019; Lou & Yuan, 2019; Cheung et al., 2021).

Within TikTok live-streaming environments, agencies actively support creators in building long-term, high-quality relationships with audiences through content consistency programs, community engagement strategies, audience interaction coaching, and personalized content development initiatives. These practices are designed to strengthen emotional connections between creators and viewers, encourage repeated viewing participation, stimulate gifting behavior, and foster sustainable long-term audience loyalty (Morgan & Hunt, 1994; Wongkitrungrueng & Assarut, 2020; Hu & Chaudhry, 2020). Accumulated research suggests that audience engagement within live-streaming contexts is positively influenced by perceived social presence, streamer credibility, interactivity quality, and interpersonal warmth during live broadcasts (Lu et al., 2016; Hilvert-Bruce et al., 2018; Djafarova & Rushworth, 2017; Chen & Lin, 2018). Studies on influencer marketing further indicate that perceived authenticity, trustworthiness, and audience identification with creators play critical roles in sustaining long-term engagement, strengthening parasocial bonds, and supporting gifting and purchasing behaviors within digital communities (Ki & Kim, 2019; Schouten et al., 2020; Xu et al., 2020). Research on social commerce further demonstrates that the relational quality between content creators and their communities functions as a key mediator linking platform features, social influence mechanisms, and consumer behavioral intentions (Hajli, 2015; Zhang & Benyoucef, 2016; Li et al., 2021). Therefore, Relationship Marketing serves as a theoretically rich and practically relevant lens for explaining how agency-facilitated creator management contributes to audience retention, relational value co-creation, and the development of enduring creator-audience relationships within social commerce ecosystems.

Platform Incentive Mechanisms and MCN Governance

Multi-Channel Networks (MCNs) are best understood as institutionalized intermediary organizations that collaborate with digital content platforms to provide comprehensive support to creators across multiple operational domains, including talent management, audience development, content strategy, monetization optimization, brand partnership facilitation, and regulatory compliance (Lobato, 2016; Cunningham & Craig, 2019). As digital platforms continue to scale, MCNs have evolved substantially beyond their original administrative management functions and increasingly occupy strategic positions within platform governance architectures by coordinating complex interactions between large creator communities and platform operators. Within platform ecosystems, MCN governance functions encompass facilitating structured communication, monitoring creator compliance with evolving platform standards, managing performance data analytics, and assisting creators in adapting to rapidly changing algorithmic environments and competitive market conditions (Nieborg & Poell, 2018; Gorwa, 2019). Comparative platform governance research highlights that MCNs function as rule-implementing intermediaries that translate abstract platform policies into operationalizable creator management practices, thereby reducing governance complexity and improving platform-wide compliance at scale (Van Dijck et al., 2018; Gillespie, 2018). The sustainability of digital content ecosystems has been shown to depend increasingly on the capacity of such intermediary actors to coordinate multiple stakeholders including creators, brands, audiences, and platform operators while maintaining alignment with platform objectives, community standards, and economic sustainability requirements (Gorwa, 2019; Poell et al., 2022; Jacobson et al., 2020).

Within the creator economy, platform incentive mechanisms serve as fundamental instruments for encouraging creator participation, content consistency, quality improvement, and ecosystem growth. Platform-based business models rely heavily on carefully designed incentive structures that motivate creators to continuously produce engaging content, maintain audience relationships, and contribute positively to platform activity metrics (Srnicek, 2017; Bucher, 2018). These incentive systems encompass a variety of economic, reputational, and algorithmic rewards, including monetization sharing programs, creator fund disbursements, visibility boosts, and formal partnership designations. According to Srnicek (2017), digital platforms utilize diverse economic and technological mechanisms to attract creators, retain platform participants, and sustain network effects essential for platform growth. These incentive systems are closely integrated with platform governance architectures because they simultaneously influence creator behavioral choices and align individual creator objectives with broader platform sustainability goals (Poell et al., 2022; Voorveld et al., 2018). Research on platform economics further demonstrates that well-designed incentive structures can effectively reduce creator churn, improve content quality at scale, and enhance overall platform value for both creators and consumers (Srnicek, 2017; Jacobson et al., 2020).

The increasing centrality of recommendation algorithms within digital platform architectures has further amplified the strategic importance of incentive mechanisms for both creators and their management intermediaries. Research on algorithmic governance demonstrates that creators systematically adapt their content production strategies, broadcasting schedules, and engagement practices to satisfy platform performance metrics and algorithmic visibility requirements in order to maximize audience reach and monetization opportunities (Bucher, 2018; Cotter, 2019). Agencies, by possessing specialized algorithmic knowledge and platform intelligence, can guide creators in optimizing their performance against these criteria more effectively than individual creators working in isolation. Consequently, platform incentives function not only as direct economic rewards but also as governance instruments that structure creator behavioral choices, shape content production patterns, influence platform participation dynamics, and ultimately determine the distribution of creator visibility and income within digital platform ecosystems (Bucher, 2018; Cotter, 2019; Voorveld et al., 2018; Jacobson et al., 2020).

Agency governance within live-streaming environments involves continuous and multifaceted creator development activities, systematic performance monitoring, real-time operational guidance, and ecosystem coordination responsibilities that extend well beyond simple administrative management functions. By providing professional management services, specialized platform expertise, and structured support infrastructure, agencies assist creators in effectively navigating complex platform policies, maximizing monetization system benefits, satisfying algorithmic performance requirements, and managing the growing operational demands associated with full-time content creation careers (Cunningham & Craig, 2019; Liang & Ji, 2024). Such governance practices contribute meaningfully to the professionalization of content creation as an occupational category and facilitate the scalability of creator management infrastructure across large and diverse platform ecosystems (Lobato, 2016; Hou, 2019). Studies on digital labor further emphasize that intermediary organizations increasingly perform essential protective and supportive functions by helping creators cope with the financial precarity, algorithmic uncertainty, and platform dependency risks associated with platform-dependent work (Duffy et al., 2021; Abidin, 2021). Research on creator economy sustainability further underscores that well-governed creator communities exhibit superior content quality, audience retention, and long-term monetization performance compared to unmanaged creator communities (Wongkitrungrueng & Assarut, 2020; Xu et al., 2020; Li et al., 2021). Therefore, MCN governance can be conceptualized as a multi-dimensional and strategically significant mechanism that simultaneously supports ecosystem coordination, platform governance efficiency, creator career sustainability, and the optimization of value co-creation processes among platforms, creators, agencies, and audiences.

Social Proof and Hedonic Motivation in Digital Gifting

Social Proof is a well-established psychological principle that explains how individuals tend to calibrate their behavior and decision-making based on the observed actions of others, particularly under conditions of uncertainty or informational ambiguity (Cialdini, 2009). This mechanism operates through the fundamental assumption that if a large number of people are engaging in a particular behavior, that behavior is likely to represent the correct or socially appropriate course of action within the given context. In digital environments, visible indicators of popularity, participation volume, and social endorsement including view counts, comment numbers, share metrics, and gifting activity function as powerful behavioral signals that influence how individuals perceive content quality and decide how to participate (Cialdini, 2009; Hajli, 2015). Previous studies have consistently demonstrated that social influence mechanisms significantly shape consumer decision-making, online engagement intensity, and behavioral intentions within social commerce environments, including live-streaming platforms (Hajli, 2015; Lu et al., 2016; Zhang & Benyoucef, 2016). Research in the context of TikTok and other short-video platforms specifically identifies social proof cues including trending labels, popular sound usage, and visible gifting displays as important drivers of content discoverability, audience engagement, and creator credibility perceptions (Kaye et al., 2021; Alalwan, 2018). In live-streaming contexts, the public visibility of gifting acts displayed prominently through on-screen animations and gift leaderboards transforms individual gifting decisions into social signals that encourage additional audience participation and reinforce community gifting norms (Wohn et al., 2018; Chen & Lin, 2018).

In addition to social influence processes, consumer behavior within live-streaming environments is fundamentally shaped by hedonic motivation. Babin et al. (1994) conceptualize hedonic motivation as an individual's intrinsic orientation toward seeking pleasure, enjoyment, entertainment, and emotional gratification during consumption experiences. Unlike utilitarian motivations that emphasize functional task completion and rational benefit maximization, hedonic motivations prioritize experiential richness, emotional stimulation, and the intrinsic enjoyment derived from the consumption activity itself (Babin et al., 1994). Live-streaming platforms are inherently hedonic environments that provide highly interactive, entertaining, and socially immersive experiences that encourage audience members to engage not merely for informational utility but for the intrinsic pleasure of participation, community belonging, and emotional stimulation (Hu & Chaudhry, 2020; Hilvert-Bruce et al., 2018). The gamification elements embedded within live-streaming platforms including virtual gift animations, leaderboard rankings, streamer level-up celebrations, and audience recognition rituals further amplify hedonic value by converting passive viewing into an active, emotionally engaging participation experience (Wohn et al., 2018; Li et al., 2021). Research consistently demonstrates that entertainment value, perceived enjoyment, and immersive experience quality positively predict audience engagement intensity and willingness to invest financially through digital gifting within live-streaming commerce environments (Hilvert-Bruce et al., 2018; Sun et al., 2019; Xu et al., 2020; Chen & Lin, 2018).

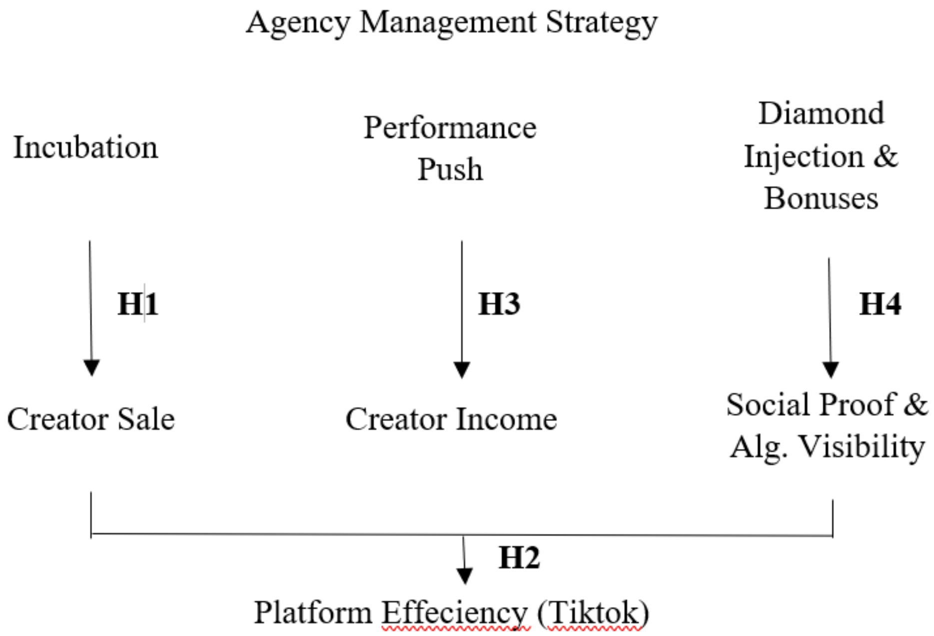
A theoretically complementary and empirically well-supported concept that further illuminates audience behavior within live-streaming commerce is parasocial interaction. Originally conceptualized by Horton and Wohl (1956), parasocial interaction describes the one-sided psychological relationship in which audiences develop subjective feelings of intimacy, familiarity, and emotional closeness with media personalities despite the absence of genuine reciprocal interaction. This phenomenon was historically observed in the context of television and radio audiences but has been powerfully amplified within contemporary interactive live-streaming environments, where real-time creator-audience communication, creator responsiveness to viewer comments, and personalized shoutouts create heightened illusions of interpersonal closeness and relational reciprocity (Horton & Wohl, 1956; Sokolova & Kefi, 2020). Research consistently demonstrates that the strength of parasocial relationships is positively associated with audience trust, emotional investment, gifting intention, and purchase behavior in digital environments, as viewers who feel personally connected to creators are more strongly motivated to provide financial support through digital gifting and product purchases (Sokolova & Kefi, 2020; Yuan & Lou, 2020; Xu et al., 2020). Similarly, influencer marketing research confirms that audience identification with creators, perceived creator authenticity, and the depth of emotional attachment are critical determinants of followers' behavioral engagement, content advocacy, and willingness to convert parasocial relational feelings into tangible supportive actions including gifting (Ki & Kim, 2019; Schouten et al., 2020; Lou & Yuan, 2019). Agencies, through systematic creator coaching focused on audience engagement quality, personal communication styles, and relationship cultivation strategies, can accelerate the formation and deepening of parasocial bonds that underpin sustainable gifting behavior and creator monetization success (Wongkitrungrueng & Assarut, 2020; Li et al., 2021).

The theoretical integration of Social Proof, Hedonic Motivation, and Parasocial Interaction provides a multi-dimensional explanatory framework for understanding the complex behavioral drivers of digital gifting within TikTok's live-streaming ecosystem. When viewers observe other audience members sending virtual gifts a behavior prominently displayed through real-time on-screen gift animations, top gifter leaderboards, and broadcaster acknowledgment rituals such visible participation may function as a powerful social proof signal that validates gifting as a normatively appropriate and community-endorsed behavior, thereby lowering the psychological threshold for subsequent gifting decisions among observing audience members (Cialdini, 2009; Wohn et al., 2018; Chen & Lin, 2018). Simultaneously, the entertainment and experiential value of live-streaming content, combined with the emotional intimacy and relational investment generated through parasocial creator-viewer relationships, can substantially strengthen viewers' intrinsic motivation to express appreciation and support through gifting (Babin et al., 1994; Horton & Wohl, 1956; Xu et al., 2020). Studies examining social commerce and live-streaming participation confirm that social presence perceptions, relational trust, audience engagement quality, and community belonging feelings are robust predictors of value co-creation behaviors including gifting, purchasing, and content advocacy (Lu et al., 2016; Zheng et al., 2022; Wongkitrungrueng & Assarut, 2020; Li et al., 2021). Therefore, digital gifting is best understood not as a simple economic transaction driven by rational cost-benefit calculation, but as a multidimensionally motivated socio-emotional behavior embedded within complex social influence dynamics, hedonic experiential contexts, and parasocially structured creator-audience relational ecosystems that agencies can strategically optimize through targeted management interventions.

METHODS

Based on the above description, the conceptual framework of this study can be illustrated as follows:

Figure 1. Conceptual Framework



The conceptual framework illustrates how Agency Management Strategy operates as a strategic mechanism within the TikTok ecosystem. Through talent development, performance management, and incentive-based support, agencies are proposed to facilitate creator growth, improve monetization opportunities, and strengthen algorithmic visibility. These outcomes collectively contribute to more effective talent governance and platform sustainability. Accordingly, the framework is organized around four research propositions that explain the relationships among agency management practices, creator performance, social proof formation, and governance efficiency.

RESULT AND DISCUSSION

The Effect of Agency Management on Talent Scalability

Agency management plays a multifaceted and strategically critical role in supporting creator development within live-streaming ecosystems. Through structured talent development programs, systematic content strategy optimization, rigorous performance monitoring, personalized strategic guidance, and technical infrastructure provision, agencies assist creators in enhancing content production quality, building coherent personal brands, expanding audience reach, and establishing sustainable performance trajectories (Lobato, 2016; Liang & Ji, 2024; Cunningham & Craig, 2019). The talent scalability enabled by professional agency management reflects the growing importance of organizational intermediaries in industrializing and systematizing what was previously an informal, individually driven creative practice. Previous studies confirm that intermediary organizations contribute substantially to creator growth by providing managerial resources, specialized platform knowledge, technical infrastructure, audience development expertise, and strategic market intelligence that individual creators cannot realistically develop or access independently (Lobato, 2016; Liang & Ji, 2024; Hou, 2019). Furthermore, the professionalization of creator management enabled by agency intervention has been associated with improved content consistency, higher audience retention rates, increased algorithmic visibility, and enhanced monetization outcomes across diverse creator communities (Wongkitrungrueng & Assarut, 2020; Hu & Chaudhry, 2020; Xu et al., 2020). Agencies further contribute to talent scalability by providing economies of scale in creator support enabling shared infrastructure, standardized performance analytics tools, collective bargaining power with brands, and cross-creator knowledge transfer that individually managed creators cannot replicate (Duffy et al., 2021; Nieborg & Poell, 2018). Consequently, agency management represents a strategically significant organizational mechanism for enhancing talent scalability, professionalizing creator careers, and supporting sustainable creator development within increasingly competitive platform ecosystems.

Proposition 1: Agency management contributes positively to talent scalability through professional support, strategic guidance, and audience development initiatives.

The Role of Agencies as Official Partners in Platform Governance

As creator participation continues to expand at unprecedented scale, platform governance becomes increasingly complex and resource-intensive due to the growing volume of content production activities, monetization transactions, policy compliance requirements, and creator community management needs. Within platform ecosystems, agencies function as governance intermediaries that facilitate structured communication between creators and platform operators, monitor creator performance against platform standards, support contractual compliance, and actively manage the operational complexity generated by large creator communities (Gorwa, 2019; Gillespie, 2018; Van Dijck et al., 2018). The formal partnership status granted by TikTok to verified agencies further institutionalizes agency roles within the platform governance architecture, granting agencies privileged access to platform analytics, policy guidance, and operational support channels that enable more effective creator management (Nieborg & Poell, 2018; Poell et al., 2022). Research in platform governance studies emphasizes that the sustainability and legitimacy of large-scale digital platform ecosystems depend fundamentally on the effectiveness of intermediary governance actors in coordinating relationships, enforcing standards, and managing conflict between platforms and large creator communities (Gorwa, 2019; Gillespie, 2018; Bucher, 2018). Furthermore, the data-sharing and performance transparency functions facilitated by formal agency partnerships can significantly reduce information asymmetry between platforms and creators, improving governance efficiency and mutual accountability (Eisenhardt, 1989; Jensen & Meckling, 1976). Therefore, structured agency participation within platform governance architectures may substantially strengthen overall governance effectiveness, reduce coordination costs, and enhance the operational efficiency of creator community management within large digital platform ecosystems.

Proposition 2: Agency participation contributes positively to platform governance effectiveness by facilitating coordination between creators and digital platforms.

The Impact of Performance Push Strategies on Creator Income

Performance management practices constitute a central dimension of agency-driven creator support and represent one of the most direct pathways through which agency management translates into measurable creator income growth. These practices include systematic goal-setting processes, real-time broadcasting performance feedback, content scheduling optimization, audience engagement coaching, and monetization strategy refinement based on granular performance analytics (Hu & Chaudhry, 2020; Wongkitrungrueng & Assarut, 2020; Xu et al., 2020). Within live-streaming environments, higher levels of consistent content production, sustained audience engagement quality, and optimized broadcasting schedules are strongly associated with increased audience retention rates, enhanced algorithmic visibility, and expanded monetization opportunities (Hilvert-Bruce et al., 2018; Zheng et al., 2022; Sun et al., 2019). Agencies that provide data-driven performance guidance enable creators to make evidence-informed decisions about content type, scheduling, audience interaction approaches, and monetization tactics that systematically improve performance trajectories over time (Cotter, 2019; Bucher, 2018). Furthermore, performance-based incentive structures implemented by agencies including income bonuses tied to engagement milestones and progressive performance targets create structured motivation systems that encourage creators to maintain higher activity levels and invest greater effort in audience relationship cultivation (Srnicek, 2017; Poell et al., 2022). By providing creators with structured performance management frameworks, agencies may therefore contribute indirectly but substantially to creator income growth and long-term financial sustainability through the mechanisms of increased content consistency, improved audience engagement quality, and enhanced monetization optimization.

Proposition 3: Performance management strategies contribute positively to creator income growth through increased content consistency and audience engagement.

The Influence of Diamond Injection and Bonuses on Algorithmic Visibility

Incentive-based support mechanisms represent one of the most distinctive and strategically innovative aspects of TikTok agency management and have direct implications for both creator visibility and social proof formation within live-streaming environments. Diamond injection programs whereby agencies provide coordinated gifting support to creators during live broadcasts generate immediate algorithmic signals that enhance content visibility within TikTok's recommendation system, attracting larger organic audiences and creating cascading social proof effects that encourage additional viewer gifting (Cialdini, 2009; Wohn et al., 2018). The public visibility of gift animations, top gifter rankings, and broadcaster acknowledgment rituals transforms incentive-based gifting activities into powerful social proof displays that signal creator popularity and community endorsement to new and existing audience members (Chen & Lin, 2018; Li et al., 2021). Previous studies consistently demonstrate that visible social proof cues including observable gifting behavior, high comment activity, and prominent viewer count displays function as normative influence mechanisms that lower individual gifting barriers and catalyze community gifting norms within live-streaming communities (Cialdini, 2009; Sokolova & Kefi, 2020; Xu et al., 2020). Furthermore, by coordinating organized viewer mobilization campaigns, community group engagement drives, and scheduled gifting events, agencies can systematically amplify social proof effects and generate self-reinforcing engagement cycles that progressively expand creator community size and gifting volume (Wongkitrungrueng & Assarut, 2020; Zheng et al., 2022). Consequently, agency-administered incentive-based support mechanisms may contribute substantially to creator algorithmic visibility enhancement and social proof formation by generating engagement signals that simultaneously satisfy recommendation algorithm requirements and create behavioral contagion effects within creator communities.

Proposition 4: Incentive-based support contributes positively to creator visibility and social proof formation through enhanced audience engagement.

CONCLUSION

This study develops a conceptual framework for understanding the strategic role of TikTok agencies within the contemporary creator economy and social commerce ecosystem. Drawing upon Agency Theory, Relationship Marketing, platform governance literature, and social influence theories, the study proposes that TikTok agencies function as intermediary actors that facilitate coordination between digital platforms and content creators while supporting audience development and creator sustainability.

The framework suggests that agency management contributes to talent scalability through professional guidance, performance monitoring, and creator development activities. Furthermore, official agency partnerships may enhance platform governance by reducing coordination complexity and supporting the efficient management of creator communities. The framework also proposes that performance-oriented management practices can encourage creator productivity and audience engagement, while incentive mechanisms such as growth support programs may strengthen algorithmic visibility and facilitate the formation of social proof within live-streaming environments.

In addition, the integration of Social Proof Theory, Hedonic Motivation Theory, and Parasocial Interaction Theory provides a theoretical explanation for digital gifting behavior. Audience participation in gifting activities may be influenced not only by economic considerations but also by social influence processes, entertainment value, emotional attachment, and community interaction. Consequently, digital gifting can be understood as a multidimensional behavior embedded within broader social commerce dynamics.

The primary contribution of this study lies in the development of a theoretical model that connects agency management, platform governance, creator development, and audience behavior within a unified conceptual framework. By positioning TikTok agencies as strategic ecosystem partners rather than merely administrative intermediaries, this study contributes to the growing literature on creator economies, platform governance, and social commerce. Future research may empirically test the propositions proposed in this framework across different live-streaming platforms and creator communities to further validate and refine the proposed relationships.

LIMITATION

This study has several limitations that should be acknowledged. First, the paper adopts a conceptual and analytical approach based on existing literature and platform observations rather than empirical data collected directly from TikTok creators, agencies, or platform representatives. Consequently, the proposed relationships among agency management, talent scalability, creator earnings, algorithmic visibility, and platform governance have not yet been statistically validated.

Second, the analysis focuses primarily on the TikTok ecosystem and may not be fully generalizable to other live-streaming platforms such as YouTube Live, Twitch, Bigo Live, or other social commerce environments that operate under different monetization and governance mechanisms.

Third, information regarding TikTok's incentive structures, agency commissions, and algorithmic processes is subject to platform policy changes and limited public transparency. As a result, some operational mechanisms discussed in this study may evolve over time and require continuous verification.

Finally, this study emphasizes the positive contributions of agencies in talent management and ecosystem development. Future research should also examine potential challenges associated with agency involvement, including creator dependency, performance pressure, contractual arrangements, and possible conflicts of interest between agencies, creators, and platforms.

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