

Research on Consumer Psychological Characteristics of E-commerce Live Streaming Platform

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Abstract. With the rapid development of Internet technology, e-commerce live streaming platforms have become a new channel for consumers to shop. The characteristics of e-commerce live streaming are its unique interactivity, personalized recommendation, real-time marketing, socialization, intuition amongst others, which make e-commerce live streaming a much more efficient, attractive and richer shopping method. The mode of "live streaming e-commerce" has formed a new marketing paradigm in which consumers shopping behaviours transform from cognitive to emotive, and the establishment of consumer psychological contract has played a significant role in the purchasing process. It is important to analyse the psychological characteristics of consumers shopping on live streaming platform for businesses to better promote their brand and products or services effectively, improve consumer satisfaction and optimize product development.

Keywords: E-commerce live streaming; Consumers; Psychological characteristic.

1. Introduction

The rapid development of internet technology, high adoption of mobile internet and online social networking have drastically changed the lifestyles, communication and attitudes and beliefs of society. According to the 52nd Statistical Report on China's Internet Development, released by the China Internet Network Information Centre, the number of online shopping users in China reached a staggering 884 million as of June 2023. This figure accounts for an impressive 82.0% of the total internet user population. In the same period, China also witnessed a significant surge in live streaming users, with a total of 765 million individuals engaging in this activity. These users represented 71.0% of the overall internet user base. Notably, within the live streaming category, e-commerce live streaming users constituted a substantial portion, amounting to 526 million people. This group accounted for 48.8% of the total internet users, showcasing the popularity of e-commerce live streaming. Furthermore, statistical data from market research firm iResearch indicates that China's cross-border live streaming e-commerce market has shown a consistent upward trend from 2020 to 2022. It is expected to continue experiencing sustained growth over the next four years (as shown in figure 1).[1] Generally speaking, in recent years, with the continuous development and popularization of internet technology, e-commerce live streaming, as a new e-commerce model, has been rapidly developed and widely used. This paper will make an in-depth analysis and research on the development status of e-commerce live streaming from the aspects of market scale, live streaming platform, user scale, marketing model and regulatory policy.

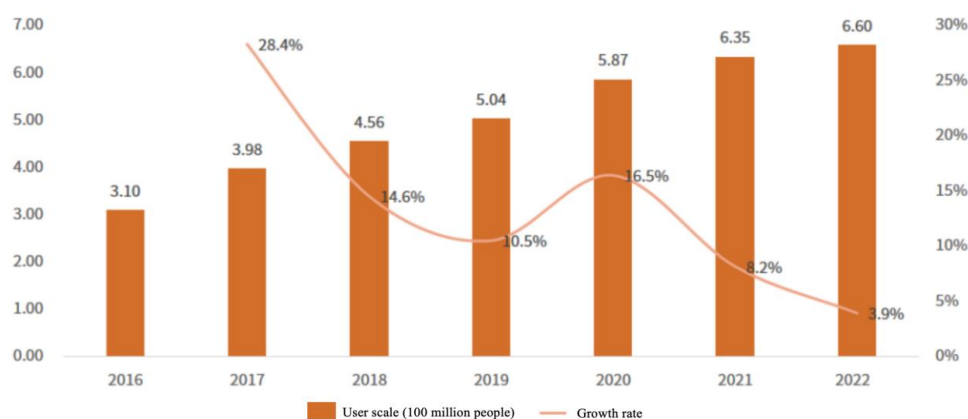


Figure 1. Size and Forecast of Live Online Users in China from 2016-2022.

2. Characteristics of E-commerce Live Streaming

2.1. Interaction

Through the live streaming platform, consumers can interact with the host in real time, ask questions, make comments, and share opinions. This interaction not only enhances the shopping experience, but also enables consumers to better understand the product features. Through the enablement of social media functionalities on the live streaming platform, the shopping process becomes more social. Consumers can interact with other users, share their shopping experiences, and join a specific shopping community. This social shopping method not only increases the stickiness of users, but also provides an effective more promotion channel for businesses [2].

2.2. Personalized Recommendation

Through the live streaming platform, consumers can directly communicate with the host, ask questions, or share opinions. This interaction enables consumers to participate in the shopping process more deeply. E-commerce live streaming can provide personalized product recommendation by analysing users' shopping behaviours and preferences, making it easier for consumers to find products that meet their own needs. The live streaming platform can capture and spread a variety of information, including photos, videos, audio, so that consumers can understand the products comprehensively.

2.3. Real-time Marketing

E-commerce live streaming can visually show the appearance, quality and usage of the products promoted through live video streaming, and consumers can gain a better understanding on the product features through the live product demonstration by the hosts. This real-time marketing method can quickly convey the selling points of the product and enhance the speed of purchasing decision [3].

2.4. Intellectual Property Attribute of Host

The hosts in the e-commerce live streaming are no longer just sale assistants who peddle goods, they also have in-depth product knowledge and can answer questions from customers and provide suggestions and assistance for consumers. Well-known hosts have a strong influence in their live streaming with a large following. They can bring about large shopping traffic on their own accord without relying on the shopping platform focus. This strong intellectual property attribute makes them more convincing in front of their audience when recommending products and likely to translate into higher sales conversion.

3. Development Status of E-commerce Live Streaming Platform

3.1. Increasing Market Scale

In recent years, the scale of e-commerce live streaming market has grown rapidly. According to iResearch, in 2021, the scale of China e-commerce live streaming market exceeded 100 billion yuan, with a year-on-year increase of over 100%. This growth rate far exceeds the growth rate of the traditional e-commerce market, indicating that the e-commerce live streaming market has great potential and growth prospects. At present, domestic e-commerce live streaming platforms mainly include Douyin.com, Taobao live streaming, JD.COM live streaming and Pinduoduo live streaming. Among them, Douyin.com, as the leader of domestic e-commerce live streaming, has a huge user base and rich shopping content, and occupies an important position in the e-commerce live streaming market. In addition, JD.COM Live and Pinduoduo Live also occupy a certain share in the e-commerce live streaming market.

3.2. Large-scale Users with Wide Marketing Reach.

With the rapid growth of e-commerce live streaming market, the scale of e-commerce live streaming users has also increased rapidly. According to iResearch, in 2021, the number of live e-commerce users in China has exceeded 500 million, indicating that live e-commerce has become one of the main shopping channels for consumers. The marketing activities on live streaming mainly includes live streaming of products, promotion, and social interaction. Among them, live streaming of products is the most common marketing mode, which promotes and sells goods in a live environment through hosts to guide purchasing decisions. Live streaming promotion is to improve brand awareness and reputation by displaying advertisements or promoting brands in live streaming. Social interaction is to improve user stickiness and participation by interacting with the audience.

3.3. Improving Regulatory Policies

With the rapid development of e-commerce live streaming market, the government has also strengthened the supervision of e-commerce live streaming. In 2019, the State Administration of Radio and Television issued a series of regulatory policies on e-commerce live streaming, which standardized and required the qualification, product quality and advertising of e-commerce live streaming platforms and hosts. In addition, the State Administration of Market Supervision has also strengthened the supervision of the e-commerce live streaming market and severely cracked down on illegal activities. The introduction and implementation of these policies have provided a strong guarantee for the healthy development and growth of the e-commerce live streaming market. In the future, with the continuous progress of technology and the expansion of the market, e-commerce live streaming will continue to maintain a rapid growth trend. At the same time, it is necessary to strengthen supervision and standardize market order to ensure the healthy development of e-commerce live streaming market.

4. Psychological Characteristics of Consumers of E-commerce Live Streaming Platform

4.1. Psychological Contract

First of all, when consumers shop on the e-commerce live streaming platform, the most basic demand is to be able to find and buy goods that meet their own needs. Therefore, consumers will pay special attention to whether the types, quality, prices, and services provided by the live streaming platform can meet their own needs. Secondly, when shopping on the e-commerce live streaming platform, consumers often take the initiative to obtain product information, compare various products and services, and make their own purchase decisions. This process of independent decision-making also reflects consumers' pursuit of self-control, which is conducive to improving consumers' willingness to buy and satisfaction. In the fast-paced life, consumers often hope to complete shopping decisions quickly in a short time. Therefore, the e-commerce live streaming platform needs to provide easy-to-understand and easy-to-operate shopping tools and processes to help consumers quickly find the goods they need and complete the purchase. Finally, consumers are often full of curiosity about unknown and novel things. Watching e-commerce live streaming can satisfy their curiosity about unknown goods and further stimulate their desire to buy. When watching the live streaming of e-commerce, consumers are often influenced by group pressure and herd mentality. Consumers think that buying the same product can bring about social recognition and sense of belonging to the group, so they are more inclined to choose to buy the same product [4].

4.2. Value Perception

Price is an important consideration for consumers in purchasing decisions. In the e-commerce live streaming platform, consumers will not only compare the prices of different goods, but also pay attention to the preferential activities and promotion policies provided by the platform to find goods

with more reasonable prices for purchase. In addition, consumers also pay attention to the quality assurance of goods when purchasing them. Therefore, the e-commerce live streaming platform needs to strictly monitor and control the quality of merchants and goods and provide goods with excellent quality and reliable performance to meet the needs of consumers. The platform also needs to establish a sound quality assurance mechanism to ensure that consumers can buy high-quality goods. Furthermore, consumers often have a strong interest in understanding the manufacturing process of the product, its usage methods, and other information of the product, to make more informed purchasing decisions and realize the value perception of this product.

4.3. Emotional Arousal

In the process of shopping on e-commerce live streaming platform, good user experience is also a key factor affecting consumers' purchase decision. Consumers will pay attention to the convenience of operation, friendly interface, and after-sales service of the platform to judge whether shopping on the platform can be a positive shopping experience. The e-commerce live streaming platform has the characteristics of socialization, and consumers can interact and communicate with other consumers through live streaming, making comments and sharing opinions. This social interaction can increase consumers' sense of participation and belonging and attract more user traffic to the platform. With consumption upgrade and the growth of personalization, consumers pay more attention to personalized shopping experience. The e-commerce live streaming platform can understand consumers' shopping preferences and needs through data analysis and other technical means and provide them with personalized product recommendation and customized services to meet consumers' personalized needs and improve their shopping satisfaction [5].

4.4. Trust Relationship

When consumers shop on the e-commerce live streaming platform, the trust of the platform is particularly important. Consumers will pay attention to the safety and reliability of the platform and the credibility of the merchants to judge whether to shop on the platform. Therefore, improving consumers' trust is important for the sustainable growth of e-commerce live streaming platform.

5. E-commerce Live Marketing Strategy Based on Consumer Psychological Characteristics

5.1. Emotional Marketing Strategy

Emotional marketing is a marketing method to achieve sales goals by stimulating consumers' emotional resonance. Coping strategies: We can stimulate consumers' emotional resonance and guide them to buy through strong marketing and personalized services. At the same time, the use of star effect and fan economy can also achieve the effect of emotional marketing.

Trust is one of the key factors that consumers are willing to shop on the e-commerce live streaming platform. Coping Strategies: E-commerce enterprises should establish trust relationships with consumers through ensuring the reliable quality of goods; providing professional consulting services; and having in place reliable logistics distribution service. Finally, strengthening the brand image of the platform can also enhance consumers' trust.

5.2. Strategy of Improving Purchase Experience

Preferential sales promotion is an effective means to attract consumers' attention and purchase. Coping Strategies: E-commerce companies can regularly launch various promotional activities on the live streaming platform or social media, such as limited-time discounts and full amount reduction, to encourage consumers to buy. In addition, consumers' enthusiasm for buying can also be stimulated through lottery, reward point redemption and other means.

Good shopping experience is one of the most important for repeat purchases. Coping strategies: e-commerce enterprises should optimize the shopping process and simplify the registration process; provide easy-to-use user interface and friendly customer service; optimize the choice of payment methods and fast logistics distribution to improve consumers' buying experience; and have in place creative content and promotional activities to enhance consumers' interests and loyalty.

5.3. Strategies for Stylish Live Streaming

To establish a lasting presence in live streaming and win the favor of viewers while building and reinforcing customer trust, it is important to develop your own style of live streaming. This involves planning a comprehensive live marketing strategy based on your target market and audience, considering aspects such as the host's communication style, the live streaming environment, the content presented, and the display format. When looking at East Buy as an example, it stands out as one of the most powerful live streaming platforms in China. What sets it apart from traditional live streaming is its emphasis on not only promoting products but also sharing a wide array of knowledge. The hosts go beyond introducing products and delve into diverse subjects like history, literature, language, mathematics, and more. They adopt an educational approach rather than being mere salespeople. This creates an atmosphere of knowledge-sharing and exchange, which captivates a significant number of fans and earns their admiration, respect, and trust. Consequently, this environment drives audience consumption and engagement.

6. Conclusion

In conclusion, the psychological characteristics of consumers while watching e-commerce live streams exhibit a diverse trend. Businesses need to gain a deep understanding of consumers' psychological needs and develop corresponding marketing strategies to enhance their desire to purchase and loyalty. Platforms should strive to achieve a seamless integration of "people" and "products" to assist consumers in finding an authentic offline shopping experience within the online shopping environment. By capitalizing on the live streaming boom, platforms can effectively convert consumers' attention into purchasing power.

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