

A Study on How Live-Streamed E-commerce Facilitates Strategic Transformation for Companies in Crisis

-- A Comparative Analysis of Luckin Coffee and Oriental Selection

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Abstract: In the context of digital and intelligent transformation and the post-pandemic business landscape, live-streamed e-commerce has evolved beyond its role as a mere traffic-driving tool to become a core strategic instrument for companies navigating brand crises and industry upheavals. This paper employs a multi-case study approach to deeply deconstruct two distinctly different transformation paradigms: Luckin Coffee (trust crisis-driven) and Oriental Selection (industry disruption-driven). The research reveals that Luckin Coffee built an efficient conversion system for existing customers through “private traffic + high-frequency livestreaming,” while Oriental Selection achieved brand premium and cross-industry rebirth by leveraging “knowledge-based content + personified IP.” By comparing the underlying logic of these two cases, this paper aims to provide a referenceable digital and intelligent survival roadmap for enterprises facing operational challenges.

Keywords: Live-streaming e-commerce; Corporate transformation; Crisis management; Digital capabilities.

1. Introduction

Under the combined influence of the digital and intelligent economic wave and sudden social events, the business environment is undergoing profound transformation. On one hand, companies frequently face various “black swan” crises, such as the devastating trust crisis that engulfed Luckin Coffee due to financial fraud stemming from internal governance failures; on the other hand, drastic changes in external policies and industrial structures can also lead to the complete collapse of existing business models, such as the strategic transformation pressures faced by New Oriental under the “Double Reduction” policy. Traditional crisis response models often rely on capital restructuring or business contraction. However, in the era of the online economy—where “smartphones have become the new farming tools and live streaming the new farming work”—live-streamed e-commerce, with its high credibility, strong viral reach, and “what you see is what you get” real-time experience, offers struggling enterprises a new avenue for asset revitalization and brand rebirth.

The core question of this study is: How can struggling enterprises facing different types of crises precisely define their strategic positioning in live-streaming e-commerce to achieve a qualitative transformation from “traffic explosion” to “brand revival”? This paper selects Luckin Coffee (trust crisis type) and Dongfang Zhenxuan (industry transition type) as case studies, providing an in-depth analysis of the underlying supply chain support, traffic acquisition logic, and differences in digital capabilities. Researching this topic not only deepens our understanding of the commercial value of live-streaming e-commerce but also, by summarizing replicable transformation models, offers practical strategic references and insights for a wide range of enterprises facing similar survival challenges.

2. Theoretical Foundation and Literature Review

2.1. Corporate Crisis Management Theory

Classic crisis management theories (such as the SCCT theory) emphasize the immediacy of communication. Through visual, real-time interaction, live-streamed e-commerce breaks the lag inherent in traditional PR releases, enabling companies to directly engage with consumers to “repair emotional bonds” and “clarify facts” [1].

2.2. Interest-Based E-commerce and the DTC (Direct-to-Consumer) Model

The essence of live-streamed e-commerce lies in shortening the value chain. By eliminating intermediaries, companies can directly obtain first-hand user data during periods when profit margins are squeezed. The successes of Luckin Coffee and Dongfang Zhenxuan are, in essence, deepened applications of DTC strategies in the era of live-streaming.

2.3. Evolution of Consumer Behavior Models: From AIDMA to AISAS

In the context of the internet, the consumer decision-making path has evolved into the AISAS model (Attention-Interest-Search-Action-Share). Live-streaming e-commerce instantly captures “Attention” and “Interest” through its powerful visual impact, and by leveraging real-time interaction, it bypasses the complex “Search” phase to directly drive “Action.” Luckin Coffee and Oriental Selection have shortened the conversion path through live-streaming sessions and, by leveraging the “Share” attribute of social media, achieved low-cost viral growth.

2.4. Content E-commerce and the Long Tail Theory

According to the Long Tail Theory, previously non-mainstream and niche demands can aggregate via the internet to form a massive market. Oriental Selection's "agricultural products + knowledge" model essentially taps into consumers' segmented demand for high-quality content and healthy food. A literature review indicates that the essence of content e-commerce is "discovery-based e-commerce," which stimulates latent purchasing desire through high-quality content, rather than traditional "search-based shopping."

2.5. Review of Domestic and International Research

Early foreign research on corporate crises primarily focused on financial restructuring and asset divestiture. With the development of the digital economy, the research perspective has shifted toward how "digital transformation" enhances organizational resilience. Scholars such as Bharadwaj argue that digital capabilities are the core drivers enabling enterprises to seize opportunities and achieve counter-cyclical growth in turbulent markets.

In recent years, the domestic academic community has conducted in-depth analyses of the nature of live-streaming e-commerce. Existing research suggests that live-streamed e-commerce is a typical method of leveraging internet platforms to expand influence, broaden sales channels, and bridge the gap between producers and consumers [2]. A Brief Analysis of the Organizational Approach to Live-Streaming Activities for Agricultural Assistance and Poverty Alleviation: Insights from the County Magistrate's Live-Streaming Sales Event on the First "International Tea Day." China Foreign Trade, (09). Empirical studies in the fields of agricultural assistance and poverty alleviation indicate that the success of live-streaming activities is highly dependent on the level of the supply chain, including the degree of product standardization, quality control, and the responsiveness of the logistics system. Furthermore, collaborative mechanisms involving governments, enterprises, and e-commerce platforms have proven to be key drivers in enhancing supply chain capabilities in impoverished regions and achieving resource aggregation [3].

2.6. Literature Review

In summary, existing literature has fully affirmed the positive role of live-streaming e-commerce in bridging production and sales, brand building, and digital empowerment. However, most current research focuses on the marketing performance of live-streaming e-commerce during periods of stable development or on short-term effects in specific agricultural assistance and public welfare contexts. Comparative studies on how "brands in deep crisis" can utilize live-streaming as a tool for systemic transformation remain insufficient. This study aims to fill this gap by exploring how, under extreme pressure, live-streaming drives enterprises to achieve structural strategic transformation through the restructuring of supply chains and traffic.

3. Case Analysis: Dual Pathways to Differentiated Transformation

(To more clearly reveal the strategic value of live-streaming e-commerce in different crisis scenarios, this paper conducts case analyses of the transformation pathways of

Luckin Coffee and Dongfang Zhenxuan.)

3.1. Luckin Coffee: A "Breakthrough in Existing Markets" Driven by Digitalization

Luckin's recovery has been hailed by the industry as "textbook crisis management." The success of its live-streaming sales is built upon the following three key dimensions:

The "reservoir" effect of private-domain traffic:

Luckin not only streams on Douyin and Kuaishou but also directs traffic to its WeChat private-domain communities. According to incomplete statistics, its private-domain user base has surpassed tens of millions. By positioning the livestream as a "coupon distribution center" and using scripted prompts tailored to specific scenarios—such as the "8 AM Coffee" campaign—Luckin precisely targeted the essential needs of office workers.

Unparalleled product collaborations and social currency:

From the "Moutai Soy Sauce Latte" to the "Tom and Jerry" collaboration, Luckin transformed its livestreams into launch events for viral hits. This model relies on its data-driven R&D system. By analyzing live stream comments and backend sales data, Luckin can roll out new product iterations at an average rate of one every three days. Live-streamed sales serve a dual role here as both a "stress test" and a "buzz amplifier" [4].

Standardization of Operational Efficiency:

Luckin's live streams are highly standardized, with the hosts' speaking pace, coupon distribution frequency, and background music all optimized through data analysis. This "industrialized livestreaming" ensures an extremely high return on investment (ROI), providing solid cash flow support that enabled the company to turn a profit within a single quarter.

3.2. Oriental Selection: Cultural Premium and "Decentralized" Transformation

Oriental Selection's transformation is based on "creative destruction" of the company's existing assets:

The Premium Mechanism of Knowledge-Driven Narratives:

In Dongfang Zhenxuan's livestreams, the physical attributes of products are downplayed, while their cultural attributes are amplified. For example, when discussing rice, the host incorporates geographical landscapes to evoke viewers' nostalgia. This model shifts the underlying logic of livestream "price wars," encouraging consumers to pay a premium for "emotional value," thereby resolving the issue of insufficient gross margins faced by struggling companies in their early stages.

Deep Integration of Private Brands and Supply Chains:

Oriental Selection did not stop at being a "sales platform" but quickly transformed into a "product company." Through feedback from live streams, they became deeply involved in the selection, packaging, and cold-chain logistics of agricultural products. This "front-store, back-factory" model enables the company to control pricing power, fundamentally breaking free from dependence on external brands and enhancing its risk-resilience.

Accumulation of Brand-Personified Assets:

Yu Minhong's "honesty" and Dong Yuhui's "talent" constitute the company's core digital assets. Following the industry-wide upheaval at New Oriental, this personified trust

was transferred to agricultural products. Research shows that when a company faces external crises beyond its control, a leader's personal reputation often becomes the brand's "primary driving force."

4. Comparison of Key Capabilities: Efficiency vs. Emotion

Core Dimension Luckin Model (Efficiency-Oriented)
Oriental Selection (Emotion-Oriented)

Underlying Engine Data algorithms combined with a network of tens of thousands of stores Original content and talent pipeline

Live-streaming Ecosystem High turnover, standardization, industrial feel Minimized commercialism, high interaction, immersive experience

User Psychology "Exactly what I need, and it's cheap" "I resonate with your values, so I'm willing to place an order"

Technical Barriers IT infrastructure and flexible supply chain Content creation and interdisciplinary integration capabilities

5. In-Depth Discussion: How Can Struggling Companies "Revive Themselves Through Live Streaming"?

5.1. Synergy: Live Streaming Cannot Be a "Lone-Wolf Operation"

The success of live-streamed e-commerce is not the result of a single host or low prices. Behind Luckin Coffee lies a restructuring of digital management; behind Dongfang Zhenxuan lies a transformation of the company's DNA. When leveraging livestreaming for transformation, companies must ensure consistency between their livestreaming style and brand assets.

5.2. Risk Warning: Traffic Can Be Both a Blessing and a Curse

Risks of Over-Reliance on IP: The "essay incident" faced by Dongfang Zhenxuan warns us that placing excessive weight on individual IPs may lead to an imbalance in corporate governance structures.

Risk of price desensitization: Luckin's long-term practice of distributing discount coupons in live streams may trap the brand in a vicious cycle where consumers only purchase when discounts are offered, thereby undermining its long-term ability to command a premium.

6. Result and Conclusion

Live-streamed e-commerce is not merely a short-term promotional tool, but a systematic project for companies in distress to achieve strategic restructuring.

Strategic Alignment: Companies should choose their path based on their inherent strengths. Those with scalable standardized products are suited for the "efficiency model" exemplified by Luckin; those with unique cultural heritage and talent advantages are suited for the "content model" exemplified by Dongfang Zhenxuan.

Supply Chain as the Core Foundation: Live-streaming initiatives for agricultural support or corporate transformation may appear to be online activities, but they are, in fact, a comprehensive test of supply chain capabilities. A Brief Analysis of the Organizational Approach to Live-Streaming Activities for Agricultural Assistance and Poverty Alleviation: Insights from the County Magistrate's Live-Streaming Sales Event on the First "International Tea Day." China Foreign Trade, (09). Without quality control and logistics support, a surge in traffic could actually damage a company's reputation.

Digital closed-loop systems are the driving force: Analyzing livestreaming data through big data analytics helps enterprises adjust production and marketing strategies, thereby gaining sustainable growth capabilities.

Future research can further focus on the application of new technologies such as AI digital humans in cost reduction and efficiency improvement during difficult periods for enterprises. At the same time, how to build a long-term supply chain system and support guarantee system that adapt to online sales will also be the research focus that determines whether enterprises can achieve long-term "recovery" in the live-streaming wave rather than "flash in the pan".

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