How to Mediate the Healthy and Sustainable Development of Live Streaming Shopping

Xi Gao
University of Montpellier, France

Abstract: At the end of 2019, "COVID-19" pandemic broke out suddenly, which made people's lifestyle change greatly. With the spread of the epidemic, offline activities are limited, and people's shopping style has also changed, move from offline shopping to online shopping suddenly. With consumers' aesthetic exhaustion in the original shopping mall, live streaming shopping, as a new shopping mode, has entered more people's field of vision and was quickly accepted by the public. With the rapid development of Internet technology, live streaming shopping has been developing extremely fast. More and more people are pouring into live streaming shopping, and more and more consumers are gradually recognizing and participating in this new shopping mode. However, how to mediate the healthy and sustainable development of live streaming shopping remains unclear and deserves further investigation. During the research process, the researchers conducted an in-depth paper review. This technique is ideal for estimating how to mediate the healthy and sustainable development of live streaming shopping has been widely employed in many social-science studies on customer behaviors analysis. Research found that the important factor affecting live shopping was consumers' keen on high quality and low-price products. Products with low prices and excellent specific solutions are put forward, manufacturers should provide high-quality products; improve relevant laws and policies; increase supervision on tax paying and livestreamer should strengthen rational guidance to consumers and guide rational consumption, so that livestreaming shopping can develop healthily, stably and orderly.

Keywords: Live Streaming Shopping; Customer Behaviors; Livestreaming; Influencing Factors of Live Streaming Shopping; Healthy and Sustainable Development.

1. Introduction

At the end of 2019, the novel coronavirus pneumonia "COVID-19" broke out, and the sudden outbreak has greatly changed people's lifestyle. The spread of the “COVID-19” has restricted offline activities, and the way of shopping has been transformed into online shopping. Under this social background, the new shopping method online live-streaming shopping has entered people’s life and has been quickly accepted by the public.

The rapid development of internet technology makes the iterative updating of things more frequent, at this time, live-streaming shopping developed rapidly, and more and more people are willing to focus on live streaming shopping rather than traditional shopping methods. However, how to mediate the healthy and sustainable development of live streaming shopping remain to be researched.

2. Historical Evolution and Formation of Online Live Streaming Shopping

The live broadcasting industry originated in 2005 and broke out in 2016. During this period, the live broadcast shifted from the PC to the mobile, and the live broadcast content changed from a single show live broadcast to e-commerce, sports, education, social networking and others. Its development process can be roughly divided into the following four stages:

Live broadcast stage 1 (2005-2011): it mainly refers to PC live broadcast, which is divided into chat room mode and concert mode. The live broadcast content mainly includes live show broadcast.

Live broadcast stage 2 (2012-2014): it is still mainly based on PC, but the live broadcast content is gradually enriched. In addition to the live show, the game broadcast began move to online.

Live broadcast stage 3 (2015-2016): live broadcast began to shift from PC to mobile phone, during this time a huge number of entrepreneurs joined, the number of live broadcast rooms gradually increased.

Live broadcast stage 4 (2017 till now): live broadcast is mainly on mobile channel. The government began to regulate and rectify the industry. Live-streamer and capitals began to cover the top live-streaming platform, and e-commerce live-streaming achieved explosive growth. The content including e-commerce, sports, finance, education, social networking and music. According to the data of iiMedia Research, "in 2019, the number of online live broadcast users in China has exceeded 500 million, and in 2020, the scale of live broadcast E-commerce market is predicted to exceed 900 billion yuan, of which the GMV of Taobao live-streaming is predicted to reach 250 billion yuan, therefore, 2019 is called the first year of E-commerce live-streaming" (iiMedia Research, 2019).

Live-streaming selling refers to the live broadcast entertainment industry selling products via live broadcasting, and its form is constantly changing. The reason for the emergence of live broadcast selling product is the development of E-commerce industry, which has caused people in the entertainment industry to follow up and evolve. On March 15, 2021, the measures for the “Administration of Online Transactions Formulated and Promulgated” by the State Administration of Market Supervision and Administration of China was officially released. 20 rules of the management method clearly stipulates that an online trading operator carries out online trading activities through online social networking, and live-streaming and other online
services shall display the information of commodities or services, their actual business entities and after-sales services in a prominent way, or the link the identification of the above activity.

The society has found the great value of live streaming, which is selling products. With the coming of the 5G era, the live streaming with intuitive visualization, real-time interaction, smooth experience, and powerful mobile online functions will become the digital foundation of social production and people's life, and will urge the continuous fission of social production relations and consumption relations.

3. Current Status of Live Streaming Shopping

“Marketing is a total system of business activities designed to plan, price, promote, and distribute want satisfying goods and services to present and potential customers” (Stanton, 1984). In 2016, the rapid development of domestic media facilitated the development of live streaming. “Live streaming, the live video, sound and image are converted into digital signals by means of technical means and transmitted to the audience in real time through media. The audience can ask questions and comments while watching the live broadcast, and the host can see the questions via the screen and answer the question in real time, which realizes the synchronous transmission and feedback of information” (Zuosheng Lei, 2015). Real-time interaction enhances the audience's sense of participation, making the audience feel "immersive".

At present, the China e-commerce live streaming indicated a trend of rapid development. Due to its remarkable characteristics of high economic income and low cost, live streaming shopping has become one of the popularist industry in China. The huge consumption potential of the live streaming shopping has made it one of the industries with more attention by investors China, and a large amount of capital has poured into the live stream shopping industry. “According to the Data Operation of Internet Investment and Financing Institution, in the first quarter of 2020, the document showed that there are five financing cases occurring in the field of live streaming shopping in China, with a total amount of 221 million RMB” (China Academy of Information and Communications Technology, 2020).

“Live streaming features significantly increase consumers’ overall perceived value and purchase intention, and significantly reduce consumers' overall perceived uncertainty; in addition, saving money further increases the impact of live streaming features on consumers' overall perceived value” (Guo J, Li Y, Xu Y and Zeng K, 2021). To sum up, live streaming industry has a great development trend and broad development prospects in the future.

“The social presence of the broadcaster and the social presence of the live streamer positively affect impulse buying directly and indirectly via pleasure and arousal, promoting consumer online impulse buying in live streaming” (Ming L, Qing W and Ying C, 2022). Take Taobao live streaming as an example. Taobao acts as an independent e-commerce live broadcast App. It can be seen from Figure 1 that the user scale has shown an explosive growth trend in recent years, with a year-on-year growth rate of 470% (Ming L, Qing W and Ying C, 2022). The potential purchasing power is emerging, and the dividends of the live broadcast E-commerce industry will continue.

In recent years, the scale of e-commerce live streaming has been growing continuously. “In 2019, the Gross Merchant Volume of E-commerce live streaming will exceed 300 billion RMB, which is expected to hit trillion yuan in the future. At the same time, with the rapid development of multi-channel network, the current market scale has exceeded 10 billion RMB” (CMS, 2019). However, E-commerce live streaming accounts for only 4.5% of the overall scale of online shopping, with low penetration rate and great growth space. With the further integration of content platforms and E-commerce platforms, live broadcast e-commerce will gradually penetrate various fields in the future. “It is expected that the transaction scale of live broadcast E-commerce will still maintain a high growth trend in the next two years” (Ming L, Qing W and Ying C, 2022).

3.1. Advantages of Live Streaming Shopping

3.1.1. For Consumers

“With the development of the Internet, social media has affected every aspect of people's life, including shopping. Live-streaming shopping is a very popular e-commerce mode at present. It is favored by many buyers, at the meantime, many businesses benefit from it as well. Research finds that the most obvious impact of live broadcast sales on consumer behavior is to broaden customers' understanding of commodity information” (Keran Fu, 2022). Online live streaming shopping can optimize product display, reduce consumers' research and decision-making time, and reduce their cost of obtaining information; Limited time and low price reduces the decision-making cost and is easy to trigger unplanned consumption. By relying on the strength of the platform to get low-cost products, they can interact with the live streamer in real time, improve the shopping experience (Keran Fu, 2022).

3.1.2. For Manufacturers

The live streaming shopping saves the marketing expenses of the merchant, obtains new users, and increases the exposure of the brand (Keran Fu, 2022).

3.1.3. For Society

A huge number of employment problems have been solved. According to the recently released "China Online Performance (Live Streaming and Short Video) Industry Development Report (2022-2023). “There has been significant growth in the live streaming and short video industry. By 2022, there were over 150 million anchor accounts, a 7.1% increase from the previous year. The total number of short video creator accounts exceeded 1 billion, making this industry a major source of employment opportunities” (Research and Markets, 2022).

Leading platforms like Douyin and Kuaishou have played a crucial role in job creation and talent attraction. Through their rich content, technological advancements, and expansion efforts, these platforms have introduced new job roles such as "short video animation artist" and "e-commerce trader," which are both innovative and aligned with the growing digital economy, offering diverse employment options (Research and Markets, 2022).

3.1.4. For Supply Chain

The supply chain base refers to the off-line supply base. It is a place and institution that can quickly ship and realize goods by recruiting, incubating live streamers and establishing a live broadcasting room. It takes the group goods supply as the core, and the E-commerce operation
capability and live broadcast service capability as the extension. The biggest role of the supply chain base is to connect the source of goods with the live streamer. More and more live broadcasting organizations have begun to build their own supply chain bases. Due to the considerable profits, a large number of wholesalers, manufacturers and E-commerce personnel have been motivated to enter the site, which has solved the problem of low income.

3.1.5. For Platforms
The live streaming platform adds a new business mode, which can accelerate the commercialization process. The platform can continuously enrich the content while obtaining new users, so as to improve the conversion efficiency.

4. Problems of Live Streaming Shopping
Although live streaming shopping has many advantages and conforms to the trend of social development, it also has some problems. To achieve the sustainable development of live streaming shopping, all the problems need to be solved.

4.1. Bubble of Live Streaming Shopping
At present, live streaming seems to be the hottest way of shopping (Keran Fu, 2022). Everything can be part of live streaming shopping, and everything can be sold online. The rapid development of live streaming shopping has been accompanied by many industrial problems, such as the exaggerated publicity of products by the streamer, the falsification of live broadcast delivery data and so on. From top-rated live streamers such as Li Jiaqi and Wei Ya, to well-known celebrities such as Liu Tao, Wang Han, Chen He and Zhang Ting, and other live streamers on the Kuaishou and TikTok platforms, the sales of a live streaming can easily reach hundreds of millions. However, the KOL who named "Xiaoyi" with tens of millions of fans was exposed to data fraud. The final turnover displayed on the platform reached 105 million yuan, but the actual total sales was only 8.67 million yuan. Zhang Yuhan, another live streamer, the online viewing volume displayed on the platform reached millions, but the traffic of the store was not proportional to the trading volume. He was officially announced by the Weibo community that there was a wrong volume calculated. This is not an individual case. It can even be said that it is a common violation in live streaming shopping industry (Yifei C, Feiyuan L and Siyu Z, 2020).

4.2. Pressure is Borne by Brand
Compared with the live streamer, the brand usually bears more external pressure. There was an actual case that a branding merchant spent 100,000 RMB of pit fee and 10% commission to ask the live streamer to sell the products, but the final sales volume was only 57,000 RMB; A branding invested 300,000 RMB in the live streaming, but the final sales volume was only about 10,000 RMB. Sometimes the sales volume reaches the standard on the streaming day, but when the brand paid service fee they still need to face the situation that is commodity return rate up to 50% (Wongkitrungrueng and Assarut, 2020). Even so, many brands have joined live streaming shopping for another revenue channel. Because the brand owner thought live streaming is the general trend. They must keep pace so that they will not be eliminated by the market.

5. The Components Within the Live Streaming Shopping
“The strong purchasing power of live streaming is mainly due to the three-in-one effect of online celebrities, live broadcasting and E-commerce platforms” (Yang N, 2017). Live streaming is not simply online selling, nor should it be a simple and rude harvest of traffic value. Under the analysis framework of new retail and new scenarios, live-broadcast delivery of goods is rationally configured and jointly driven by factors such as the carrier's personal brand, user traffic pool, product supply chain, bargaining power, and scene-building ability under the live broadcast scenario (Yang N, 2017). As table one indicates, there are three main live streaming shopping components includes People, Goods and Scenes:

<table>
<thead>
<tr>
<th>People</th>
<th>Goods</th>
<th>Scenes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seller + Customers</td>
<td>Product Supply Chain + Bargaining power</td>
<td>Buying Scenario creation</td>
</tr>
</tbody>
</table>

6. Factors Affecting Purchase Behavior of Online Shopping

6.1. Consumers’ Gender
In the study “Exploring Gender Differences in Online Consumer Purchase Decision Making: An Online Product Presentation Perspective”, the study explores gender differences in online consumer purchase decisions. Findings show that factors like interactivity and perceived risk impact males‘ attitudes more, while vividness and diagnosticity have a greater effect on females. Designers and brand managers should consider gender awareness when developing e-commerce websites. “Interactivity and perceived risk influenced attitude formation more for males than females, while vividness and diagnosticity influenced attitude formation more for females than males. In addition, attitude toward online product presentation influenced purchase intention more strongly for males than females” (Lin, Featherman, Brooks and Hajli, 2019).

6.2. Consumers’ Age
The study “The impact of age on the customers buying behaviour and attitude to price” examines the impact of age on consumer buying behavior and attitudes towards price. Various personal and socio-demographic factors influence consumer behavior, and age is a significant factor in this regard. The study will use statistical analysis, including one-way ANOVA and chi-squared tests, to analyze the relationship between age and consumer behavior. Specifically, the study will focus on consumer attitudes towards branded and non-branded goods. Understanding the influence of age on consumer behavior is essential for businesses to effectively target and cater to different age groups. “Personal and socio-demographic characteristics like age, lifestyle, occupation, and many other significantly influence consumer buying behavior” (Slabă, 2019).
6.3. Consumers’ Income Level

The study “Online shopping: Factors that affect consumer purchasing behaviour” described factors that affect the consumers’ willingness to purchase product from an online store. “The factor of price explained the largest part of variance in the data. We assume the price is especially important for university students, as in majority of cases, they are not employed and therefore, their financial budget is limited” (Bucko, Kakašiček & Ferencová, 2018).

6.4. Consumers’ Educational Level

The study “The Impact of Perceived Channel Utilities, Shopping Orientations, and Demographics on the Consumer’s Online Buying Behavior” developed and validated a model of consumer online buying behavior, considering factors such as demographics, channel knowledge, perceived utilities, and shopping orientations. Data from a survey of 999 U.S. Internet users supported the model, showing that education, convenience orientation, experience orientation, and other factors predict online buying status. The findings have implications for understanding online consumer behavior and offer directions for future research in this area. “Educational difference was a significant demographic variable, with a larger portion of better-educated consumers in the frequent Web buyer category” (Li, Kuo and Russel, 1999).

6.5. The Length of Time Consumers Watching Live Shopping

The study “How Live Streaming Features Impact Consumers’ Purchase Intention in the Context of Cross-Border E-Commerce? A Research Based on SOR Theory” explores the influence of live streaming features on consumers' cross-border purchase intention, considering overall perceived value and uncertainty. It also examines the moderating effects of saving money. Survey data from 272 participants support the findings that live streaming features increase perceived value and purchase intention while reducing perceived uncertainty. Additionally, saving money enhances the impact of live streaming features on perceived value. “Live streaming features significantly increase consumers’ overall perceived value and purchase intention, and significantly reduce consumers’ overall perceived uncertainty; in addition, saving money further increases the impact of live streaming features on consumers’ overall perceived value” (Guo, Li, Xu and Zeng, 2021).

6.6. Consumers’ Demand for Products

The study “Purchase intention and purchase behavior online: A cross-cultural approach.” Author links open overlay panel explores factors influencing e-commerce adoption using social psychology elements and non-traditional factors in a cross-cultural context. Quantitative research with 584 online consumers in Colombia and Spain supports the key role of self-efficacy in online stores for e-commerce adoption across cultures. The study also highlights the moderating effect of national culture on the proposed model. “Practical implications are provided for companies expanding internationally, emphasizing the importance of understanding cultural differences in impulsive buying behavior” (Peña-Garcia, Gil-Saura, Rodriguez-Orejuela, Siqueira-Junior, 2020).

6.7. The Appearance of Live Streamers

Social presence and telepresence in live streaming platforms, along with consumer trust and flow state, positively impact impulsive buying behavior. The consumer's sense of power moderates this process. The findings have practical implications for live streamers and e-retailers to understand how to stimulate consumer buying behavior and can inform the development of live streaming commerce in other countries. “Three dimensions of social presence (the social presence of live streaming platforms, of viewers, of live streamers) and telepresence have a positive and significant influence on consumer trust and flow state, thus triggering consumers’ impulsive buying behavior. Furthermore, consumers’ sense of power moderates the process from consumer trust, flow state to impulsive buying behavior. Practical implications this study will help live streamers and e-retailers to have a further understand on how to stimulate consumers’ buying behavior. Furthermore, it also provides reference for the development of live streaming commerce in other countries” (JunLan M, Jiangqiu Z, 2022).

6.8. The Professionalism of Live Streamers

Perceived enjoyment has a positive impact on the urge to buy impulsively, while perceived usefulness positively affects perceived enjoyment. However, perceived usefulness does not directly influence the urge to buy impulsively. Attractiveness and expertise of the live streamer have a positive effect on perceived enjoyment, while product usefulness and purchase convenience positively affect perceived usefulness. Consumers in live streaming commerce are more susceptible to impulsive buying due to the persuasive presentation and urging of the live streamer. “After the empirical investigation, we found that perceived enjoyment positively affects the urge to buy impulsively. Perceived usefulness positively affects perceived enjoyment. However, perceived usefulness does not positively affect the urge to buy impulsively. Attractiveness and expertise positively affect perceived enjoyment. Product usefulness and purchase convenience positively affect perceived usefulness. The paper found that consumers in live streaming commerce are easier to have impulsive buying through the presentation and urging of the live streamer in a short period” (Chao and Chien, 2022).

6.9. The Advertising Effect of Live Streamers

Live Streaming Commerce (LSC) allows for personalized information exchange and enhanced customer services, leading to enjoyable shopping experiences and increased willingness to purchase. Streamers play a crucial role as intermediaries, raising consumer awareness and influencing their online shopping decisions. “The paper found that live streaming shopping enables merchants to exchange information with consumers based on their needs and provide additional customer services. Because of the appropriate information about the products, they acquire and the enjoyable shopping atmosphere, consumers are willing to purchase products in LSC. As the intermediaries between merchants and consumers, streamers utilize their independent identity from merchants to enhance consumers’ awareness of shopping and persuade their online shopping decisions” (Ye and Zhou, 2022).

Lichtle M and Chevalier C (2012) conducted a study that highlighted the importance of the model’s age in advertising effectiveness, which varies based on the respondent's
chronological and subjective age. The perceived age closeness of the model to the respondent also plays a significant role.

7. How to Mediate the Healthy and Sustainable Development of Live Streaming Shopping

7.1. Manufacturers should Provide High-Quality Products

The purpose of live streaming is to enhance the sales of products and increase the profits of products, but the most important thing is the product quality. Every company should put the quality of products first, pay attention to polishing fine products and meet the expectations of consumers.

Pay attention to the demand of products. The demand for products is one of the most important factors for consumers to purchase online. Manufacturers need to conduct product research on consumers' product needs. When conducting research on consumers, online research and offline research can be adopted. In addition, build a good brand of products. For example, packaging design is the first step to display products and to attract consumers. Through packaging design, you can quickly pull into the psychological distance with consumers. For example, in Li Jiaqi's live streaming room, the lipstick products displayed by him have unique packaging boxes.

Finally, manufacturers must provide high-quality products through technology and other creative ways, build brands, and reduce prices and improve competitiveness by reducing costs. Through the previous data analysis and consumer behavior questionnaire, it can be seen that the first concern of consumers is high quality and low-price products. Price and quality are the first to attract consumers' attention. Manufacturers should try best to reduce costs while ensuring quality, and then continue to increase profits by expanding the scale.

7.2. Improve Relevant Laws and Policies

Relevant departments should speed up the improvement of the product return system of merchants, or the "seven-day return system", and formulate the standard. Also, the relevant laws and regulations should be improved. Through product classification, the policy is improved, and the catalogue and types of unsuitable return goods are specified in detail. Clear the scope and standard of returning goods, so that consumers can return and exchange goods easily.

7.3. Increase Supervision on Tax Paying

Strengthen the registration management of live streaming accounts, strengthen the classification management of live streaming accounts, safeguard the legitimate rights and interests of businesses and consumers, standardize tax services and collection, and punish on tax-related illegal and criminal acts, to effectively promote the development of live streaming industry in a standardized way. Just like many technologies third-party unicorn platforms in the market, the team that launched live streaming shopping is spending a lot of costs in the process of seizing market share. The reason is that the original intention of tax avoidance by live commerce entities such as livestreamer and live streaming organizations lies in saving funds, enhancing competitiveness and expanding social profits. The tax authorities should also strengthen supervision and continuously strengthen the tax supervision of the profit-makers of the live streaming platform.

7.4. Livestreamer should Strengthen Rational Guidance to Consumers and Guide Rational Consumption

Relevant departments should guide consumers to establish a scientific and rational consumption concept in live streaming shopping, especially to advocate diligent and frugal consumption. For those who exaggerate product effects, make false propaganda, and induce consumption by online livestreamer in live streaming shopping, should be regulated with policies. To sum up, to promote the healthy development of live streaming, merchants should develop high-quality and low-price products and enhance the competitiveness of products. The government continues to revise reasonable laws and regulations, improve industry supervision, ensure that live streaming is standardized and orderly. With the efforts of all parties, especially manufacturers, to continuously improve the quality of products, the fast-developing live streaming shopping can under a healthy and sustainable development.

References


