

Research Article

**Exploring Marketing Strategy and Current Situation of Live Streaming Ecommerce in China:
A Case Study of a Live Streamer**

Kexin Zhao^a, Teo Poh Chuin^b, Jiawei Huang^c, Jiale Zhang^d, Yueqin Liu^e

^{a,b,c,d,e} Azman Hashim International Business School Universiti Teknologi Malaysia

Email: ^akexinaidiqu@qq.com, ^bpohchuin@utm.my, ^chuangjiawei@graduate.utm.my,

^d704373243@qq.com, ^d314205618@qq.com

Abstract

with the rapid development of the live streaming industry in China, live streaming E-commerce is a new form of business in the new media era. The reason for the remarkable results is inseparable from the live streamers and their teams' efforts. With the rise of a large number of live streaming platforms, the scale of live streaming groups is continuing to expand. While its rapid expansion has brought huge economic benefits, the live streaming industry is also facing much chaos caused by uneven quality and lack of supervision. Related issues such as traffic fraud and difficulty in safeguarding rights have also emerged endlessly, damaging and affecting consumers' legitimate rights and consumption experience. The purposes of this paper are to explore the live streamer's marketing strategies through live streaming E-commerce in China, analyze the problems of "Internet celebrity" through live streaming, and try to put forward corresponding suggestions for sustainable development combined with the characteristics of current e-commerce live streaming situation. This study adopts descriptive and explanatory research design and adopts the case analysis method takes Streamer Xin Youzhi as the research object. The empirical data collection mainly adopts the methods of existing data and online observation. The research results and findings will provide meaningful insights for the future development of live streaming E-commerce.

Keywords: *live streaming E-commerce; Marketing Strategy; Internet celebrity; Xin Youzhi*

Introduction

With the rapid construction and development of Internet streaming platforms, "Internet celebrities" live streaming are developing rapidly. 'Internet celebrities' refer to people who have become popular on the Internet or those who are well-known on the Internet who is followed by netizens due to a certain event or behavior. (Zhang, 2019)The webcast industry is developing rapidly in China, a large number of live streaming platforms are emerging, and the scale of live streaming groups is also expanding. The webcast bloggers frequently appearing on various social platforms as "influencer streamers" have moved to live streaming rooms for live broadcasts to sell goods has set off a "live streaming fever" on the Internet. The live streaming industry is also facing much chaos caused by unevenness of good and bad and lack of supervision. This article starts from the specific case of the online celebrity streamer Xin Youzhi, explores the marketing strategy of the online celebrity live streaming selling, and analyzes the problems existing in the live streaming E-commerce of the "influencer" and try to combine with the characteristics of current live streaming e-commerce. This paper attempts to put forward corresponding suggestions for the sustainable development of live streaming e-commerce.

Literature Review

A. Current Status of live Streaming E-commerce in China

China's E-commerce live streaming was born at the end of 2015, and in 2019, the "double 11" showed a blowout growth momentum. Live streaming E-commerce has developed rapidly in China. In recent years, more and more scholars are interested in this kind of marketing mode with live entertainment and shopping experience, and there are more and more researches on live streaming e-commerce. According to 47th Statistical Report on Internet Development in China, as of December 2020, the number of Internet users in China has reached 989 million, with a total of 85.4 million new Internet users in the whole year. The number of webcast users reached 617 million, accounting for 62.4% of the total Internet users (Ma,2021).

B. Live Streaming E-commerce Marketing

As an emerging entertainment social platform, "live streaming" has become a new configuration of corporate marketing, and "live streaming + marketing" has become a trend. Various industries are exploring the live streaming + marketing model. Live streaming has not yet given a precise definition in the marketing academia.

Online celebrity live streaming mode refers to a content producer with a certain network influence, relying on the web live broadcast function provided by social media or live broadcast platforms to interact with live broadcast audiences and promote specific products. (Jia, 2020)

With Li Jiaqi and Weiya as the representatives, the top live streamer relies on huge traffic to negotiate prices with suppliers to get lower prices than the daily regular prices or even the official flagship store activity prices. There are often "the lowest price of the whole network" concessions for fans. These attractive limited-time offers have become a reason that many fans can't refuse to buy. (Yang, 2020)

Ma believes that in the virtual scene woven by Internet celebrities and e-commerce companies, "Internet celebrity live broadcasts" are more interactive, authentic, and profitable than traditional marketing methods. (Ma,2021)Internet celebrities use their socialized and entertaining information dissemination methods to quickly establish emotional connections between products and live broadcast audiences to promote the consumption behavior of live streaming audiences. With the joint help of the live or social platform, brands, online celebrities, and live audiences, online celebrities' live delivery mode has risen rapidly in a short time. (Jia,2020).

Shen believes that the live streaming e-commerce model allows traditional Internet celebrities to show "the commercial value of online shopping guides for products, forming a new online celebrity value economy which enhanced interaction between people, with new social value. New traffic value has realized the transformation from net traffic to online sales. (Shen,2020)Ma Xuan took Li Jiaqi as an example to analyze the phenomenon of Internet celebrities selling goods in the era of new media. The performance of online celebrities' live streaming of different content, combined with new media marketing and communication methods, provides consumers with a simple and convenient product information retrieval channel, and at the same time strengthens the interaction and communication between manufacturers and consumers, thereby winning better communication effect. (Yang,2020)

There are many reasons for the prosperity of live streaming culture. In addition to the most direct reason for the innovation of smart devices and network technology, we can see that the most essential thing in webcasting that attracts audiences is the interactive culture of webcasting. (Qi, 2020)

C. Internet Celebrity Xin Youzhi

Xin Youzhi is the head of a well-known e-commerce platform, with more than 45 million fans and 15 million+ consumer users. During Double Eleven in 2019, he had a personal record of 2.1 billion+ sales, and he was hailed as a leader in the live broadcast e-commerce industry. Since 2019, according to incomplete data, the amount of personal online sales has exceeded 10 billion. (CEF, 2020) As a famous live-streaming celebrity, Xin Youzhi has a lot of sales scandals since 2020, reflecting the

problems that exist in live streaming E-commerce. The People's Daily Online once commented: For any Internet celebrity, if it is always famous for scandals, embarrassments, and mottos, it is destined to be a very dangerous signal. XinBa (Xin Youzhi), do it for himself. (PDO, 2021)

H1: Increasing the interaction rate with fans can enhance the viscosity with consumers.

H2: The more time-limited discount, the more consumers can be attracted

H3: Personal branding can get more fans' attention

H4: The good social responsibility of the streamer can be supported and publicized by the official and get more consumers' attention

H5: The higher the customer viscosity, the stronger the purchasing power of consumers

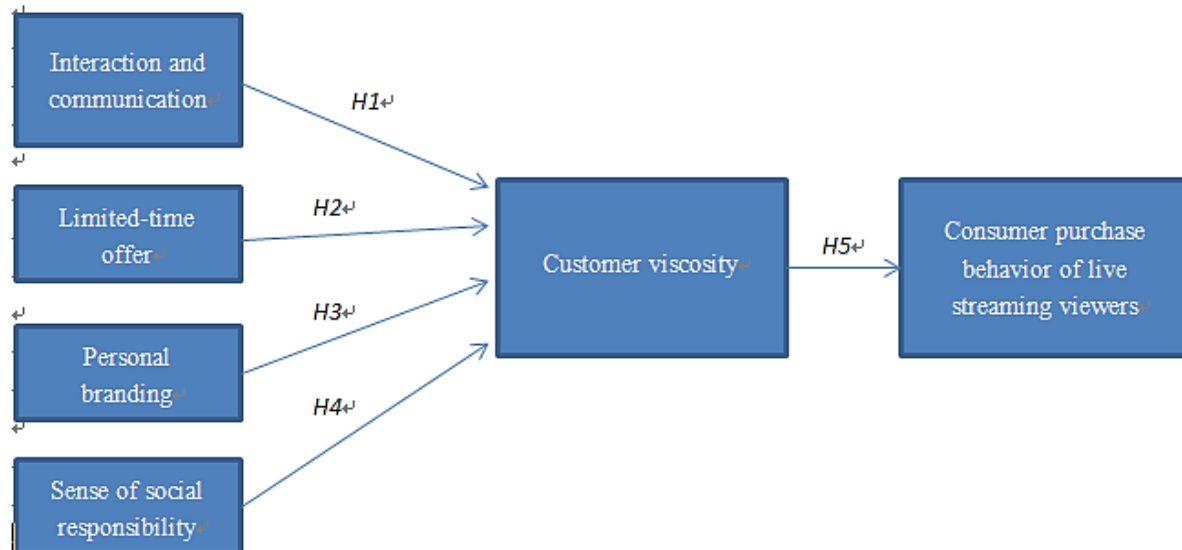


Figure 1. Conceptual framework

Research Methodology

This study adopts descriptive and explanatory research design and adopts the case analysis method takes Streamer Xin Youzhi as the research object. The empirical data collection mainly adopts the methods of existing data and online observation. In this study, Xin Youzhi's live streaming and news from 2018 to 2021 are the data sources. To ensure that these live data and news are true, the collected data is screened and compared with official data. Due to a large number of live broadcasts and news of the research subjects, the survey data of this study adopts non-probability sampling methods. Data analysis adopts factor analysis, correlation analysis, and multiple regression analysis. A total of 4 items are used to measure how the streamer can stimulate consumers' buying behavior while watching the live streaming which includes interaction and communication with viewers (Ma,2021& Qi,2020), limited-time offer(Yang,2020), Personal branding(Shen,2020), streamer's sense of social responsibility.

Analysis and Finding

A. Increasing the interaction rate with fans can enhance the viscosity with consumers

The two-way dissemination of information has been strengthened in the new media environment. To transfer information and communicate emotions between the streamer and the fans through timely interaction can increase the viscosity between the streamer and the viewers. When attracting new fans, the old fans are always there.

Different new media platforms have different ways of interacting. XinBa was once known as the first person to sell goods to KuaiShou live streaming. XinBa obtains potential buyer's information by reading and browsing the barrage of consumers in the live streaming to communicate. This more

direct way of interaction can make consumers and "fans" feel more involved, and can also enhance a sense of companionship for their fans. Every time XinBa's live broadcast ended, he took his team and his wife to bow to everyone. Thank the fans for their support and company all the way.

He often emphasizes bonus gifts, such as buy one get two free, bonus XX gifts and other keywords will be mentioned several times in live streaming. In addition, he will also add gifts that he has specially given to fans on top of the gifts provided by the brand. For example, when he was selling a beauty product, the brand gift was a small bottle of sunscreen, and he also gave a gift of toothpaste produced in his factory. XinBa will use a variety of lucky draws and red envelope benefits to retain users. In this way, he can not only promote fan purchases but also enhance his relationship with fans.

B. Strong limited-time offers can attract more buyers

XinBa's live-streaming room often issues limited-time coupons, carries out flash events, fan raffles, etc. to attract fans to buy. Of course, these preferential products are limited time and limited. Although the merchandise marketed in the live streaming room is generally in the unit of 10,000, it still needs to be snapped up immediately to get it, because this kind of preferential merchandise is too popular. In the live broadcast room, there are even genuine discounts where you can buy one get one free at half of the official price. For some big-name products are not reduced in price, in the live streaming room buyers can also win a lot of gifts, creating the equivalent of buy one get one free or 50% off or even 20%-30% discount effect. These attractive limited-time discounts have become a reason for many fans to refuse to buy.

On Double Eleven in 2020, Xinxuan's streamers have different ways of "signing up secret codes" and "grabbing coupons" from other streamers. Xinxuan's streamers directly make huge profits, and first "beat down" the price for fan buyers to buy directly, and then prepare gifts for fan users. According to incomplete statistics, in the two live streaming on the 22nd and 25th October 2020, XinXuan Shi Damei sent a total of 90,000 boxes of Coke, 30,000 boxes of Ferrero chocolates, and 10,000 boxes of Amos. (AiRui Net, 2020)

C. Personal branding reputation can form brand effect

XinBa has always admitted in the live streaming that he is the child of a farmer and he was born in the countryside. His business philosophy is to be the product selection officer of the people so that the people can spend less money and buy some high-quality goods at a low price. In the eyes of consumers, XinBa is a good streamer for the welfare of consumers. He is a real person and treats fans like family members, so consumers trust him.

In 2020, Xin Youzhi established Guangzhou Xinxuan Investment Co., Ltd. and led his team to focus on live streaming E-commerce. "We are committed to building a "strict selection" supply chain system, adhering to the concept of carefully selecting cheap and good products and creating a quality life. Through live e-commerce marketing methods, we focus on commodities. The ultimate price-performance ratio is designed to enable new mainstream consumers to use high-quality and affordable products." (GU, 2021) In the hearts of fans, whenever XinBa and his team are mentioned, most of them will think of a good product that is very cost-effective. In addition to attractive prices, there is also excellent product quality as a guarantee. Therefore, a more unique personal brand effect will continue to market consumers' desire to buy.

D. Love live streaming sell can be supported by the government and establish a good reputation to consumers.

XinBa, many people think that he is a true conscience e-commerce streamer. He not only brings good goods but also works very hard for charity, helping a lot of people. During the Covid-19 epidemic period, after 150 million Yuan was spent to help Wuhan, since April 2020, XinBa and XinXuan team have assisted CCTV and local governments at all levels to bring goods for public welfare, with a total amount of nearly 400 million Yuan, opening up the market for domestic agricultural products sales.

Open up new channels to drive the transformation of economic ecology in poor areas to provide new ideas for local poverty alleviation. (Internet Express, 2020) In addition, XinBa is determined to actively help education, help poor students solve the problem of "difficult enrollment", help education poverty alleviation and rural revitalization, and cultivate Chinese Millennial talents. By devoting love, helping education, actively fulfilling social responsibility, and taking responsibility, XinBa is determined to highlight the new style of the young generation of entrepreneurs. His all kinds of love and charity continue to attract more fans and consumers.

E. Chaos in live streaming E-commerce

Participating in the spike in the live broadcast room has become a new way of consumption for many people. While bringing convenience to consumers, problems such as poor product quality, false publicity, and inadequate after-sales service are very prominent. XinBa which has tens of millions of fans in Kuaishou made a lot of noise because of the sale of bird's nests in syrup. In the news 1+1 column of CCTV News Channel on the night of 315, the case of XinBa's sale of "bird's nest is syrup" was exposed. All kinds of the chaos of false propaganda in the live broadcast industry

In November 2020, the sale of "Syrup Bird's Nest" by XinBa team members in the live streaming caused heated discussion. Some consumers questioned that the bird's nest sold by XinBa's apprentices was sugar water. At first, XinBa claimed that it was a malicious slander of the products he sold. The products he sold were genuine and there was no problem. However, after an investigation by relevant departments and the intervention of the media, on the evening of November 27, XinBa responded that all the bird's nest products sold in Xinxuan's live-streaming room would be recalled, and the responsibility for returning one and three compensations would be assumed first. A total of 61.983 million yuan was required to be refunded. . On December 8, 2020, Guangzhou Baiyun District Market Supervision Administration filed an investigation against XinBa's Company.

There are many scandals of live-streaming goods selling online. The things that users bought on the live streaming are "not on the right board", or are of poor quality, and there is no after-sales service. The live data is exaggerated, MCN agencies rely on fake data to attract investment, and the pit fee is high. The live broadcast seemed to help the merchants to get a large number of orders, but the goods were subsequently returned in large numbers. Institutions guarantee performance to businesses, but the prerequisite for gambling is to take high service fees first. During the gambling period, the institution puts service fees into the financial market. If the performance is not completed, it only needs to return the principal to the merchant. The live broadcast has become a financial business. (Shen, 2020).

Conclusion

During the Covid-19 epidemic period, live streaming with goods has sprung up. Relying on the new model of "online traffic generation + physical consumption", it has brought consumers a new consumption experience with stronger interactivity and entertainment. Qian Keming, Vice Minister of Commerce, said at the press conference on business work and operation in 2020 held by the Ministry of Commerce on January 29 that in 2020, China's new modes of online shopping and live streaming with goods developed rapidly, with online retail of physical goods increasing by 14.8% and live streaming of e-commerce exceeding 24 million, becoming the world's largest online retail market for eight consecutive years (you, 2020)

There are many reasons for the popularity of live streaming. In addition to the popularization of smart devices and the rapid development of network technology, we can see that the most essential thing that attracts the audience in the webcast is the interactive culture between the streamer and the audience in the live streaming. In the consumer society, live streaming is not only a real-time

interactive social mode but also a brand-new entertainment marketing method. The audience is attracted by the streamer unconsciously while watching the live streaming. This real-time interaction enhances the user's viscosity and dependence on the network platform.

The stronger the stickiness between the streamer and the fans, the easier it is for the fans to accept the streamer's products, and then make purchases. The audience can not only get pleasure from watching the live broadcast but also be able to distinguish them from real life and satisfy some personal psychology and needs.

It is undeniable that the direct advantage of live streaming is still the price, and consumers will go wherever it is cheaper. To maintain the price advantage for a long time, we need to work hard in the supply chain. Internet celebrities can continue to copy, but the high-quality supply chain remains unchanged. With the rapid development of live e-commerce, the streamers who selling goods, should not only focus on performance and data when selling goods but have certain audit obligations for the goods or services they promote.

As a new and popular industry, how to avoid risks and develop, how to regulate live streaming, and strengthen network integrity have become the focus of social attention. Whether it is e-commerce, short video platforms, or regulatory agencies, there is an urgent need for seamless supervision of the live streaming e-commerce market through the entire chain to promote the boom of live streaming e-commerce.

The live streaming platform serves as a network streamer to show its stage. Before the streamer live broadcasts, it is necessary to evaluate the streamer's literacy and provide literacy training to improve the streamer's overall literacy, to improve the overall quality of the network anchor, and fundamentally solve the problem of the network. Based on the pan-entertainment chaotic form of live streaming, the competent network department shall formulate more detailed rules and regulations, mobilize the power of netizens to strengthen the supervision of streaming platforms and streamers, and set up effective inspection and information filtering mechanisms for platform operators implementation standards. (Qi, 2020).

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