The Study of Marketing Strategy of Live Streaming Studios
In the Case of Li Jiaqi's Studio

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ABSTRACT
The live streaming industry has been developing rapidly in recent years worldwide with the technological support of more and more online platforms and applications. This paper takes special interest in the industry and focuses on its marketing strategies in Li Jiaqi’s live streaming studio. The paper mainly uses secondary resources and data collections, apply the case study as primary approach to make a deep analysis about how these live streaming studios work and how they can draw so much attention and attract customers to make tremendous trading volumes. After consulting many scholars’ researches in this particular field, the team get a relatively comprehensive understanding of the industry and attempt to build a framework consisting of four important aspects, namely the staff, the decoration of the live streaming studio, the procedure of the studio, and the language use of the anchors. According to our observations and research, Li Jiaqi’s studio is very representative and successful in these four aspects. We think our research and findings can undoubtedly be used as references for future study in this field and can provide valuable perspectives for the front-line workers in the live streaming industry.

Keywords: Live Streaming Studio, Marketing Strategy, Internet Celebrity, Broadcast

1. INTRODUCTION

Live streaming has become increasingly popular worldwide over the past few years as consumers crave immersive experiences and personalized recommendations. Especially in China, live streaming is generally becoming an industry, and there are many platforms and apps as tech-support, such as Weibo, Tiktok, KuaiShou. Through live-streaming, internet celebrities such as Viya and Li Jiaqi can attract tens of millions of potential consumers every day [1]. The market reached $4.4 billion in 2018, up 37 percent compared with 2017 [2], China's e-commerce is expected to grow to $1 trillion in 2020 from $862 billion in 2019 [3]. And currently, e-commerce companies are using internet celebrities to promote and sell goods through live streaming on their own social media channels. Consumers can get closer to the products through the experience of the people on the screen [4] and they can shop and have fun at the same time through a virtual mall, which is streamed live on Taobao [3]. From a macro point of view and the development of e-commerce platforms and the higher acceptance of live streaming in China, the COVID-19 has also contributed to the rapid expansion of this industry in China in 2020. The pandemic has boosted the emergence of live streaming in mainstream media. The spending power of Chinese residents will remain strong in 2020. Moreover, the development of the “homebody” economy, such as e-commerce, online media, and social media, overlapped among different platforms. They are transforming from cooperating to entering into each other's territories [5]. And months of isolation have boosted e-commerce transactions while weakened offline sales. In particular, the transaction of live streaming of two anchors, Viya and Li Jiaqi, in 11.11 Alibaba Shopping Carnival 2020 was 3.3 billion and 3.5 billion, respectively. Their income was believed to be 800
million and 600 million, respectively. The strikingly vast sales volume made the live streaming industry especially attractive in the academic circle and our group are interested in this marketing tool and its influence on both brands and customers.

A relatively thorough understanding of a marketing tool always starts with the background. Like how did it emerge? And what kind of developmental stages it went through? This paper will use Li Jiaqi’s studio and its operating model to reveal the mysteries of live streaming as a marketing tool, including the staff, the decorations, the procedures and language use. On the other hand, the paper will also discuss why live-streaming occurs and what makes it special and different from other marketing tools. Of course, every coin has two sides, even though now live-streaming seems to be a very effective marketing tool for the brands to promote their products and for customers to have a closer look at the products they are interested in, this marketing tool has some drawbacks as well, such as too much discount and exposure may dilute the brand’s equity in the long term and the anchors sometimes can manipulate or even mislead the customers to make unwise choices. These are potential problems that can’t be ignored. So at the end of this paper, there are some recommendations to make live-streaming a better marketing tool for the parties involved in it.

2. LITERATURE REVIEW

2.1. Reviews of Live Streaming Studios

At present, there are a large number of studies and abundant research contents about live streaming studios. A wide range of fields can be found, which can be roughly divided into three major directions: communication, marketing and new media. Jin [1] writes about live streaming from the perspective of communication. She analyzes the communication form of live streaming based on three important dimensions, namely the transmission media, the communicator and the audience. And live streaming can sell goods as long as the anchors know how to use right media to spread, how to introduce products and how to communicate with the audience. Feng [6] takes Li Jiaqi as an example to analyse the marketing model of KOL (Key Opinion Leader) and believed that such anchors can bring a lot of streaming to beauty makeup industry. Yang [7] stands in the perspective of consumer brand analysis of internet celebrity go live to sell goods; Feng [8] also takes Li Jiaqi’s e-commerce live streaming as an example to discuss the operational difficulties of personal traffic under the background of new media, new technology and new platform, and puts forward corresponding suggestions.

Internet celebrities’ live streaming depends on the technology, and this new model of internet marketing has become popular. It posts productive influencers’ contents online and uses the internet platform, especially live streaming as an approach to closely and vividly display the products to its audience, generating a bidirectional interaction with the audience, and thus achieve the purpose of promoting a specific product and expanding the brand effect [9].

In addition to technological development, the number of Internet users in China is also increasing: in the first half of 2019, the number of Internet users in China is 854 million, and the number of mobile Internet users is 847 million, corresponding year-on-year growth rates of 6.6% and 7.5% respectively [8]. Therefore, the development of the Internet and the increasing of Internet users allow internet celebrities to continue to expand as a group in marketing strategy. Internet celebrities have become one of the key opinion leaders in customers’ shopping choices.

2.2. Reviews of Marketing Strategies

As for the marketing strategy, it’s the core concept of the strategic marketing field and the core of marketing practice. A better understanding of the current state of marketing strategic knowledge is important to develop a theoretical understanding of marketing [10]. Morgan et al. [10] put forward the marketing strategy and new concept in a sub domain. And through the analysis during 1999 to 2017, six of the most influential marketing journal papers, use this perspective to evaluate the status quo of marketing strategy and make a new research agenda, providing opportunities for the development of new theories for researchers as well as establishing a clear correlation. Varadarajan and Jayachandran [11] evaluated and looked forward to the current situation of marketing strategy research. Institutional theory is used to develop an organizational framework to evaluate the research’s marketing strategies and suggest that marketing may play a more important role in setting the firm’s strategic direction. In the past few decades, especially in China, because of the continuous development of science and technology and the Internet, many practices and researches in marketing have undergone many changes. Like the internet celebrities and live streaming studios. Therefore, this paper will take this point to study the marketing strategy of internet celebrities’ live streaming studio in order to demonstrate the change of brand marketing strategy in the new era.

2.3. Reviews of Live Streaming Marketing Strategies

Since live streaming used as a marketing strategy is getting more and more popular and effective in recent years, it immediately draws attention from the academic circles. Related research has been done in different areas to discuss this new form of marketing and variable subjects involved, including economy, finance, media
communication, sociology, etc. Some of the research focuses on the definition and phenomenon of live streaming marketing and the developmental stages it has gone through. Like Feng [12] mentions in her paper, one successful and effective live streaming broadcast actually incorporates BGC (Brand Generated Content) plus PGC (Professionally Generated Content) and UGC (User Generated Content). While other studies mainly concentrate on the current marketing models of live streaming. Just as Zhang says, network marketing model relies on the effective participation of the anchor and active platforms as well as various brands, unlike traditional marketing strategy, this new model combines different elements like products and displays and different kinds of promotion tools to achieve better selling results and interact with the customers. What’s more, there are many articles about the problems and solutions of this new network marketing tool, such as Zhang [13] mentions in his article, in order to sell more products, some live streaming anchors would even make false advertise, regardless of the quality and real effects. And since there are more and more anchors are joining this selling trend, the content of live streaming lacks creativity.

3. INTRODUCTION AND STRUCTURE OF LI JIAQI’S LIVE STREAMING STUDIO

3.1. Introduction of Li Jiaqi’s Live Streaming Studio

Live streaming Refer to the new media and traditional media by using network technology and wireless communication network and channels to provide users with the information and entertainment services to gain economic benefit mode of transmission [14]. Anchor plays an important role in live streaming and Li Jiaqi is a good anchor for it: he started to work as a beauty adviser in L'Oreal cosmetics counter in 2015 [15]. And soon in 2016, he started his live broadcasting career as the brand planned to nurture internet celebrities to promote products. Li took the opportunity and his studio really took off. In 2018, he set the Guinness World Record for the most people wearing lipstick in 30 seconds and won the battle of selling lipstick with Ma Yun in the same year [16]. In June 2021, Li attracted nearly 45 million followers and got 310 million likes on Tiktok. He also has more than 48 million followers on Taobao. An exemplary event of Li’s outstanding behaviour of advertisement is Double 11 in 2020, Li’s total sales of reserving commodities reached 4.327billion RMB during the two days before Double 11 [17]. On the first day’s live of Double 11, Li Jiaqi obtained a volume of sales of 9.14 million [18], which created a miraculous record of online live streaming data in China.

3.2. The Functioning of Li Jiaqi’s Live Streaming Studio

3.2.1. The Staff’s Role and Function

The staff of a live streaming studio is generally composed of the anchor and his or her assistants. The anchor is assumed to be the main character to plan, perform, and dominate the live streaming show, and the assistants would be in charge of assisting the anchor to ensure the advancement of successful live streaming [19]. Targeted at our research object, Li Jiaqi’s live streaming studio is composed of Li and one or two assistants. Li takes the responsibility to maintain the order, communicate with suppliers, introduce the products and apply labelling language to persuade customers to consume. Li plays the main role in interacting with the viewers. He performed well in describing and displaying the advantages of products by labeling them to represent their main particularities, for example, “blush like honey peach” to present the colour and texture of the blush [20]. At the same time, his assistant aids Li in testing the products and provides supplementary details. The ideas he may mention would be like “the blush is also water-proof”. As for their functions, Li is undoubtedly the backbone of the live streaming contingents. The fans effect he brought to his studio makes more customers believe in him and spread the products to a wider extent. Meanwhile, the assistants can answer some of the customers’ questions and impress them with a more detailed and completed description. And so far, Li worked really well with his assistants to make the studio distinguishable from others’.

3.2.2. The Ornaments and Decoration of the Studio

The ornaments and decoration of the studio would depend on the anchors’ taste and the products they are going to display, and they can even become one touch point or symbol of a particular anchor. The anchor would place the products that he or she wants to recommend to the most extent in a visible and prominent spot, aiming at showing to the viewers as many as possible details of the commodities. In our case study, the embellishment of Li Jiaqi’s live streaming studio has a concise and simple style of decorating. In most cases, no other items can be discovered except the products and a board with the price and pictures of the products themselves. This kind of decoration can help the viewers distinguish important and valid commodities as clear as possible [14]. The embellishment without redundancy can be a factor that promotes Li’s live streaming success because viewers can obtain the information they need in a relatively short time. But sometimes, there are variations as well. For example, he would create a delusion of a corner of the beauty counter by displaying a huge container of lipsticks to introduce them one by one.
3.2.3. The Procedure of the Studio

Procedure is a series of different actions connected in a logical way to achieve a certain result. As for Li Jiaqi’s live streaming studio, according to our observation, usually Li and his team would announce in advance through his official web account to inform the customers about the products he chooses for his upcoming live broadcast, then the customers can decide for themselves if there is any product, they are interested in. Afterwards, when it comes to the live streaming time, he would display the products and describe their features, functions, and components, etc., and definitely the best discounts he can offer. Subsequently, he and his assistants will try the products to give customers a direct experience. For example, when they are selling food, they will actually take a bite, and inform the audience about its flavour and taste with vividly facial expressions. After this all-round introduction, they will exhibit to the customers the link to buy the products at the bottom of the live streaming screen. On occasions like some special events or festivals, they may offer a lucky draw to attract more audience such as “free of charge” or cash coupons. What’s more, Li Jiaqi also invites many celebrities to his studio and sometimes they would interact with the audience through small games to make the live streaming even more appealing. Ma Yun used to be an honourable guest to compete with Li for selling the maximum number of lipsticks in a limited time. This attracts tons of audiences and it’s definitely a win-win strategy for Li and the celebrities because fans from both sides will focus on the broadcast and they can acquire more popularity by live streaming.

3.2.4. The Language Use of Li Jiaqi in the Studio

Language use includes both verbal and non-verbal messages, which also means words and body gestures. Li Jiaqi performs really well and professionally in language use. To begin with, his choice of words has distinctive features as simple, professional, emotional and easy to remember. He creates many brainwashed slogans like “oh my god” “amazing,” “just buy it” and repeating those slogans is essential and effective to motivate customers to take action [6]. In addition, he applied labelling language to professionally describe the products and his using experiences, and then impressed consumers with the precise details of the products. He may depict lipstick as “the most representative one of cheap lipsticks with high performance in 2019” “the lipstick you must own when you have a date with your boyfriend” to enhance the product’s irreplaceable performance and attract consumers’ curiosity afterwards [13]. Furthermore, instead of solely describing the advantages of the products, he would admit that some of the products are not suitable for a certain type of people, for example, a certain foundation may not suit people with darker skin. And he would even criticize some aspects about the products, such as its package bag is not attractive and needs improvement. All of these languages use plus his proper body gestures, yield his energetic and convincing live streaming.

4. THE INSPIRATION FROM LI’S LIVE STREAMING STUDIO

4.1. The Clear Division of Labors

As discussed before, it is clear that both the anchor and the assistants should take the responsibility to maintain the progression of the live streaming and to make sure it advances in an organized sequence. The anchor undertakes more complex and important duties of broadcasting a live streaming show, and the assistants fill the vacancy. For example, the composition of Li Jiaqi’s live streaming studio is far more concise than supposed. At least the appearance of his live streaming on the screen sustained the assumption. Li Jiaqi, as the main role of the studio, has a huge impact on the outcome of the live streaming show through his many decisions, which may include the option of choosing partners and brands, the calendar of products exhibited, and the language should be used to describe the commodity, etc. His behaviour would be one of the main motivations to spur the viewers to actually make a purchase. Then the assistants will add details to the product to make the customers have a better knowledge about them, such as providing colour test on different lips, assisting Li to exhibit the products, or explaining how to access the commodities. The succinct and distinctive division of duties in Li’s studio contributes to his success, and this can be a reference for other live streaming studios. Because a certain proportion of anchors may choose to employ several assistants to ensure that he or she is not overloaded. However, too many assistants may get in the way and make the viewers feel confused. And having more assistants means less interactions between the anchor and the viewers because everyone needs to speak, so more time may be wasted on redundant things. And the lack of interactions between the anchor and the viewers may aggravate doubts and misgivings from the consumers because credence cannot be built through a little communication. The case of Li can establish an example for other anchors to cut down the employment of more assistants appear in a live streaming studio. The responsibility of an internet celebrity on the screen is to promote the sales of products by language description and marketing strategy, and the assistants should have a moderate performance to fill the vacancy and leave more space for the customers to communicate with the anchor.

4.2. The Simple Style of the Background

The decoration of Li’s studio is also as concise as the composition of the staff. The scene is quite simple, with the products in a prominent position and some basic
information about the commodities, like the price. This can satisfy the customers’ need to acquire the most important information in a relatively short time. Li will place the products on the table before himself to make the viewers see the products directly. Except for the products themselves, no more other obstacles will exist to interrupt the customers’ inspections toward the goods. The price of the commodities will be listed on the screen behind Li, noted by the conspicuous colour of red with a white background. The installation of the screen aimed to assist the customers in obtaining the price information, which may be their main concern. The intimate and simple decoration of the live streaming studio reveals Li’s understanding of the consumers, and those details may enhance viewers’ feeling of credence and trust toward the anchor.

However, right now quite a few anchors are using a complicated, sometimes even messy background for their live streaming studios. They may do the live streaming show in their homes or exterior places, like residential communities or in the shopping malls. The disordered and randomly placed items and an unclear exhibition of the products may confuse the consumers and make them lose patience to acknowledge more about the merchandise. Suspicion may derive from their impatience and they may maintain a skeptical and scrutinizing attitude towards the anchor. And once the doubts arise, it is difficult to win your customers back. So these anchors can learn from Li Jiaqi’s live streaming studio, that the simple and clear scene settings can be a factor to maintain consumers. And those redundant elements can be eliminated to help the customers to make a quicker decision.

4.3. The Features of An Efficient Procedure

Li Jiaqi’s studio and its model have been imitated or copied since it has been very successful and gained a lot of popularity around the country. As mentioned above, the procedure of Li’s studio is logical and easy to follow, he and his team have a clear set of rules and steps for each product exhibited, and if the audiences have been watching their live streaming shows for some time, they could even anticipate what’s coming next. Of course, sometimes the procedure has a little variation since he would surprise the audience with special discounts or bonuses and gifts, plus cooperation with other celebrities. This can draw more attention and attract more customers to buy.

This kind of procedure is both efficient and effective, so for other internet celebrities who want to join the live streaming industry and for other marketing tools or platforms, the procedure of Li’s studio has certain model significance. First of all, the procedure should be clear and consistent because it takes time for the audience to adjust to different scenarios, so if the procedure always changes from time to time, the audience may feel confused and don’t know what to expect. It’s more efficient to use a consistent and predictable procedure. Thus, the audience would be familiar with the process, and they can easily follow the steps in the future. Secondly, the procedure should be short yet complete [15]. According to observations, for each product displayed in Li’s studio, usually from the introduction in the beginning to the final purchasing link they give to the audience, the whole procedure only takes a few minutes, because people all live in a high-paced society, everyone is busy everyday, so the customers don’t want to waste too much time to make a decision about what to buy, they need a clear yet less time-consuming purchasing guidance.

4.4. The Effective Use of Language

Finally, it comes to the language part. Li Jiaqi has a very distinctive style in terms of language use, it’s simple, professional, fast, emotional and easy to remember [20]. In his daily live streaming, in spite of very professional and precise description of the products, he would also use a lot rhetorical devices to make his speech even more vivid and attractive. For example, he described the colour of a particular lipstick as “blossom of a teenage girl in spring” [21] or a certainly applied foundation as “a china doll”. What’s more, he creates many brainwashed slogans like “Oh my god”, “Just buy it”.

His body gestures and facial expressions also agree with his verbal messages, which makes his words of the products even more convincing. All of these languages use have become symbolic features for his studio, and it brings him a lot of recognition as well as loyal fans. So other platforms or other internet celebrities can take Li Jiaqi’s successful use of language as a reference. To begin with, the choice of words should be short, simple, yet professional. Because the customers only want to spend a limited amount of time to have relatively complete knowledge of the products they are interested in. Besides, a vivid description of the scenario is vital when selling products, as the customers can easily imagine what they may look like or how the products can change their lives after they finally make the purchases. What’s more, a certain degree of repetition of some important information is useful, because it can enhance the information and make the customers kind of interested in some products even when they don’t have the need or the urge to buy. Last but not the least, the anchor should always keep up with the trend and be aware of the hot topics and use some “it” languages to interact with the audience. For example, recently, the “Father of Hybrid Rice” Yuan Longping passed away. This was a huge loss for Chinese people. Li Jiaqi and his assistants in the studio all wore black suits and put on a gold cicada brooch during live streaming as a way to show their mourning and respect. This gesture left a good impression on the audience, and it helped to strengthen
deeper bonds between the studio and its audience, which is very important in future live streaming.

5. DISCUSSION

Admittedly, there are some drawbacks in our methodology. The first is the way of data collection. Although our group has participated and observed Li Jiaqi’s live streaming studio, due to the limitation of social connections, we cannot have direct contact with Li Jiaqi in person, so the results and feedback obtained are mainly secondary, we lack some first-hand resources. Therefore, only secondary data are used as the main evidence in this paper. Secondly, from the perspective of data analysis, we use case study method, and we only focus on Li Jiaqi’s live streaming studio, which may be a little simple, without more in-depth analysis or the support of more comprehensive business theories.

However, our research still owns some highlights and valuable points which can be used as a reference for future study in this field. We constructed a descriptive framework of live streaming marketing strategy, which includes a macroscopic examination of the industry of live streaming, and a particular inspection towards a representative research target, Li Jiaqi’s live streaming studio. We made a relatively profound study in the strategies that Li applied to his studio in order to attract customers and make more deals. The strategies can be divided into four categories—the staff, decoration of the live streaming studio, the procedure of the studio, and the use of the language of Li. Those strategies can be the factors that lead to the extraordinary success of Li, and it would be a lesson that can be drawn from our observation for future researchers. The foundations we built during our analysis of the burgeoning industry of online live streaming can be a reference for discussing why the industry develops rapidly and the specific marketing strategies the anchors utilized to obtain the achievements. Except for the theory level, our research undoubtedly contributes to the practical application of the live streaming industry because we deeply analysed Li’s live streaming marketing strategies. We also provide several constructive suggestions for the front-line workers in the live streaming industry to boost more clout and gain more popularity. They can refer to the framework we built of Li Jiaqi’s live streaming studio and improve and their own. For example, they can imitate the use of language from Li to describe the products and prominent commodities’ merits by short slogans. The development of the whole live streaming industry will evolve to be more stable and promising if live streamers can enhance their professionalism by taking the hints of our research outcomes.

6. CONCLUSION

Based on our observations and analysis of the live streaming industry, especially in the case of Li Jiaqi’s studio, we can draw the following conclusions:

Frist of all, the pandemic helped live streaming marketing to develop rapidly. Ever since the outbreak of the pandemic in 2020, people were isolated at homes and many offline stores were closed either temporarily or permanently. Yet, the live streaming industry found a way out and many anchors made impressive sales volumes through different online platforms.

Secondly, KOL becomes very important between brands and consumers. This can be seen from the amazing sales of anchors on Taobao in 2020. Li Jiaqi is the most famous of all the internet celebrities, whose live streaming of Alibaba's 2020 Double 11 shopping festival reached 3.5 billion RMB in total. Behind the spectacular sales is clever marketing.

Finally, the functioning of the live streaming studio is vital to its success as a marketing tool. Li Jiaqi and his studio is quite representative and enjoys remarkable performance. Therefore, it can be used as a reference to other related live streaming workers:

(1) A clear division of labors should be established in a live streaming studio where the anchor is responsible for planning and hosting, while the assistants are responsible for filling in the vacancy and providing extra information about the products in the live streaming. Others are responsible for after-sales services or follow-up questions and so on. It is the cooperation of both the anchor and the assistants that keep the live streaming show moving in an organized sequence.

(2) Anchors should put the selected products in the most conspicuous place to show the details of the products to the audience as much as possible. Li Jiaqi uses a simple style of decoration, which makes it easier for the consumers to grab the commodity’s information and characteristics. And his display of the products is straightforward and quite clear. The simple decoration of the live streaming studio reflects Li Jiaqi's understanding of consumers, and these details may enhance the audience's sense of trust and recognition of the anchors.

(3) To make a live streaming studio function well and smoothly, a clear set of procedures should be in place. The steps should be consistent and logical, which enables the customers to familiarize the whole procedure and follow it easily.

(4) Anchors can create some brainwashed and easy-to-remember slogans and phrases to make themselves stand out and leave an impression on potential customers. Plus, the anchors’ choice of words should be short yet professional enough to describe the products. It would be even better for them to pay attention to current hot topics.
and constantly throw out interesting topics to enhance the link with consumers.

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