



Research on the Impact of "Live Commerce" on Consumer Behavior

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ABSTRACT

2019 is known as the first year of the live commerce, the rapid development of live commerce not only attracted many brands to cooperate with the platform, but also to stimulate consumer spending behavior, and the development of the social economy, which not only popular with goods star Li Jiaqi, but also attracted various stars, government officials into the live room with goods. As a new marketing model, "live commerce" has not only stimulated the consumer market, but also injected a strong impetus into economic development and social reproduction, and through nearly a decade of development, live commerce has gradually matured and become a popularized and normalized marketing strategy. In this paper, we focus on the development of live commerce, analyze the factors influencing consumers' purchasing behavior from several aspects, and extend to the inner mechanism of the influence of live commerce on consumers' behavior.

Keywords: *live commerce; Consumer Consumption Motivation; Live-streaming Development*

1. INTRODUCTION

"Live commerce", also known as e-commerce live streaming, is a form of service that uses existing live streaming technology to showcase products, guide sales and introduce features to consumers through an internet platform[1]. It not only contains a shop guide approach, but also a collection of professional anchors in the form of referrals.

According to the development history, the development stage of the live broadcast industry can be roughly divided into four stages: the budding period, the initial development period, the rapid development period and the mature period.

1.1. Budding Period

The period from 2005 to 2011 was the nascent period of the live streaming industry. With the development of information technology, the new industry of "live streaming" began to emerge[2].

At this stage, because the Internet has not yet developed mature, live broadcast only shows a prototype. The form of "live" is mainly based on PC live, divided into chat room mode and concert mode, the form of a single live show occupies the vast majority[3].

The public attention of the live broadcast industry is low, capital has not yet been large-scale intervention, the future development prospects of the industry is still unclear.

1.2. Initial Development Period

The period from 2012 to 2014 was the initial development period of the live streaming industry[4]. During this period, the live streaming industry began to gradually emerge and the content of "live streaming" was continuously enriched.

With the development of the mobile internet and the development of information technology, live content began to become rich, with live content adding live games to the single show live stream[5]. This is mainly due to the boom of the gaming industry on the PC side, which has driven the development of the live streaming industry. Live game broadcasting has gradually entered the horizon of gamers, not only providing players with a new form of entertainment, but also bringing new sources of income for anchors and game companies, achieving a win-win situation. The live broadcasting industry has also started to enter an initial development period[6].

1.3. Rapid Development Period

2015-2019 was a period of rapid development for live streaming. During the rapid development period, a large influx of capital into the live-streaming industry promoted the prosperity of the live-streaming industry, and the output value of the live-streaming industry began to explode.

Since 2015, due to the influx of capital, the live streaming industry has staged a "thousand broadcast war", and the entertainment platform live has gained rapid development in the competition. Among them, 2016 has become the "first year of mobile live streaming"[7]. From 2017 onwards, in the further maturity of mobile internet technology, the popularity of smartphones and the explosion of live e-commerce that led to the emergence of not only flow anchors such as Li Jiaqi, but also various celebrities who have joined the live broadcast, and government officials who have personally helped to bring goods.

Due to its content format, interaction logic, traffic attraction and other factors, live commerce has grown rapidly, and the government has regulated and rectified the industry, forming a mobile-based, "all flowers bloom together" to "giant hegemony" transition pattern, traffic, anchors and capital in to the The live-streaming e-commerce business has seen explosive growth while the top platforms are converging. Live content has penetrated into various fields such as e-commerce, sports, finance, education, social networking and music, and is expected to have a promising future.

In 2019, Taobao vigorously promoted live commerce and help Taobao anchors to attract traffic, making Li Jiaqi, Zhang Dayi and other anchor fans surge, according to the "2019 Taobao Live Ecological Development Trend Report" data show that Taobao live-streaming platform in 2018 monthly live users grew 100% year-on-year, with over 100 billion live commerce, a year-on-year growth rate of nearly 400%, and more than 400 live-streaming rooms with more than 1 million goods per month. The year 2019 is also known as the "first year of live e-commerce".

"Live commerce" is not only a new marketing model, but also further stimulates the consumer market, injecting powerful momentum into economic development and social reproduction, and showing a trend of popularisation and normalisation.

2. FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR

Based on a review of existing domestic and foreign relevant research, this paper argues that culture, society, the individual consumer and psychological experience are the main factors influencing consumer behaviour.

2.1. Cultural Factors

In terms of cultural factors, culture is the collective term for human knowledge, beliefs, art, morality, law, aesthetics, customs, language and writing, as well as other abilities and habits acquired by human beings as members of society. Culture is formed by people in social practice and is a historical phenomenon; at the same time, culture is dynamic and in a constant state of change.

Culture generally consists of a basic core culture common to all members of society, and sub-cultures with different values, lifestyles and customs. In terms of cultural circles: different cultural circles judge the value and needs of goods differently, resulting in different demands or lack of demands for the same goods, different judgements on the value of the same goods and thus different buying behaviour[8].

There are huge differences between each culture, and within the same culture there are also differences in values and aesthetic standards due to the influence of ethnicity, religion and other factors. Subcultural groups are classified according to criteria such as ethnicity, religion, race, occupation, type, age, language, culture and education level[9]. Within the same subcultural group there are certain similar characteristics that distinguish it from other subcultural groups.

2.2. Social Factors

In terms of social factors, consumer behaviour is also influenced by social factors, which include the consumer's family, reference group and social class. Depending on the social background of the consumer, different purchasing decisions are made.

Single consumers are influenced by their families to make different purchase judgments, for example, youth and teenagers are often constrained by their families' purchasing tendencies and spending power when making purchase decisions. Different cultural circles tend to showcase their own culture by buying brands of goods that their circle identifies with, such as hipster culture and hip-hop culture[10].

In addition, different social classes have different purchasing decisions due to differences in purchasing power, with the higher social classes focusing more on product quality and the lower social classes focusing more on value for money. The family is the most fundamental group to which an individual consumer belongs. A person learns many everyday consumer behaviours from his or her parents and is often influenced in his or her purchasing decisions by the previous generation.

2.3. Personal Factors

In terms of personal factors, consumers' purchasing behaviour is first and foremost influenced by their own factors, which include: their financial situation, i.e. their income, savings and assets, borrowing capacity, etc.

The occupation and status of the consumer. Consumers' needs and preferences for goods are often not consistent across occupations. The age and gender of the consumer. Consumers' needs for products change as they age and require a variety of products at different stages of the life cycle[11]. Consumers' personalities and self-concept. Consumers with different personalities have different buying behaviours.

Lifestyle is a way of life that people follow, including the way they spend their time and money. A person's lifestyle is often expressed through his or her activities, interests and opinions. Even if people come from the same sub-culture, social class and occupational group, they may have different social patterns. For example, some people choose to work hard in pursuit of achievement, while others choose to travel and play in the mountains, and different life choices influence one's spending choices.

2.4. Psychological Factors

In terms of psychological factors, consumers' buying behaviour is also influenced by key psychological factors such as motivation, perception, learning, attitudes and beliefs. The famous psychologist Maslow proposed the 'hierarchy of needs'. He divided people's needs into several levels according to their different levels of need, namely physiological needs, security needs, social needs, respect needs and self-fulfilment need[12]s.

According to Maslow's "Hierarchy of Needs", and after a long period of practical observation, it has been proved that the various needs of human beings have the following characteristics: human needs develop from lower to higher levels, and only after satisfying the needs of the lower levels can the needs of the higher levels arise, and people with different needs make different judgments about the purchase of goods.

At the cognitive and experiential level, consumers' sensations and perceptions, memories and thoughts constitute the perception of a product. Sensation and perception are the individual attributes and overall perception of a product. Among them, the consumer's own interests, personality and preference for the brand are the prerequisites for perception. Corporate image and product image influence the attractiveness of the product, advertising and marketing stimulate consumer perception, while consumer experience influences consumer behaviour through its psychological impact on consumer consumption.

3. ANALYSIS OF THE INFLUENCE MECHANISM OF LIVE COMMERCE ON CONSUMER BEHAVIOUR

The main influence on consumer behavior is consumer perception, and the anchors in the live broadcast also mainly influence consumers' purchasing behavior by influencing consumer perception. For example, Li Jiaqi and his team mainly use four "tools": price, empathy, empathy and brand awareness to influence consumers' purchasing behavior.

Price is the most important factor influencing consumer behavior. According to the "rational man" hypothesis, consumers tend to choose the goods with good quality and low price.

Li Jiaqi is able to expand the range of consumers by securing lower prices while maintaining quality. With his huge traffic and fans, Li Jiaqi has been able to lower the price of his products when working with brands, even at the expense of offending them.

On November 16, "L'Oreal accused of false propaganda" rushed to the weibo hot search. A consumer complained that on October 20, L'Oreal Paris's ampoule mask in Li Jiaqi live pre-sale, L'Oreal Paris official claim that this is its "maximum strength of the year"; the result of the double 11 period, L'Oreal Paris's own live price is much cheaper than Li Jiaqi pre-sale price, 50 pieces of the same mask price difference of more than 100 yuan[13].

By 19:00 on November 17, more than 10,000 consumers had complained about L'Oreal Paris cheating consumers on the "Tianmao" platform, asking them to refund the price difference. At about 20:00 on November 17, Li Jiaqi live broadcast released a statement in which both sides said that if the L'Oreal Paris side still failed to give a reasonable solution after 24 hours, both live broadcasters will enable the underwriting program to compensate consumers[14].

Empathy is an important tool for businesses to guide consumer behavior. Empathy is the ability of people in different situations, at different ages, experiences, and states, to talk to each other in the same emotion, to perceive, understand and share with each other, and to experience each other's inner world in a very short period of time.

Under the traditional mode of thinking, companies are more inclined to understand the needs and feelings of consumers on the product / service itself, while ignoring the consumer's own emotional appeal, empathy marketing is a good way to make up for this.

Consumers are more likely to accept a sales pitch from a seller when they feel that the seller is thinking about them. And it is the infectious power of self-behavior and the thoughtfulness of others that Jiaqi

Li uses to increase consumers' trust in self[15]. For example, Li Jiaqi would persuade people to spend rationally and within their financial capacity during the live broadcast; when fans raised the question of whether pregnant women could drink, he sternly reprimanded them that pregnant women should not drink; when he encountered fans fighting for him, he would persuade them that public figures should bear the controversy of society, which is his job, etc.

Thinking differently is an effective means for businesses to quickly find the needs of their target consumers. Li Jiaqi and his team use transposition thinking to find the bottom of consumers' needs from the consumers' perspective - "what consumers need" and "what we can provide for consumers", thus finding a differentiated competitive route in the live process. For example, small classes, variety shows, pushing national brands, etc.

By digging deep into consumer needs, Li Jiaqi's team increased consumer satisfaction and consumer stickiness by teaching consumers how to use the products they bought; by telling them the usefulness and usage of the products to stimulate their potential buying needs, thus increasing consumer demand.

In addition to the above three points, Li Jiaqi is also very brand conscious, which is not only reflected in his selection of products mostly choose well-known brands at home and abroad, but also in his management of personal brand.

His management of personal brand is mainly reflected in three aspects.

First, by participating in various public welfare activities and conducting public welfare live broadcasts, as well as promoting his positive values in the live broadcast, Li Jiaqi has established a positive public figure image and has subconsciously influenced consumer perceptions in the live broadcast, which in turn has improved consumer stickiness.

Secondly, by using the fan base of the pet dog Neva, through daily live interaction with the dog, filming variety shows for the dog, live dog birth, live dog birthday celebration, etc. to create topics, consciously cultivate Neva's fan flow, and eventually successfully transform it into the "Neva family" brand. By co-branding with brands and producing related peripherals, some of the fans of the Neva family are only fans of the Neva family, not transformed through Li Jiaqi's fans. The "Neva family" has formed its own influence. First of all, they have a cute outside, which can attract viewers who like pets and animals into the studio and become fans. Secondly, as the core of the Neva family, Neva has interacted with Li Jiaqi from time to time in the live broadcast. Neva's charmless appearance has brought viewers and anchors closer, and created a lot of hot searches and topics. Finally, the

image of the Neva family has spawned many co-signings and peripences, which Li jiaqi alone could not do.

Li Jiaqi will choose some national brands with good quality but no brand awareness to support and promote, which will not only help the brand to conduct research and development, but also use its own influence to expand the influence of its supported brands, and the expansion of the influence of its supported brands will have a feed-back effect, further expanding Li Jiaqi's own influence.

4.CONCLUSION

After more than ten years of development, live commerce through the sprout, development and gradually towards maturity. 2019 live commerce announced a new marketing model to the consumer market a huge impetus.

According to the research in this paper, live commerce can influence consumer behavior by using price, empathy, transpersonal thinking and other ways to influence consumer perception. Through the study of consumer psychology, reasonable use of appropriate marketing tools, can make online business achieve better results.

The intrinsic mechanism of live commerce stimulates consumer consumption in terms of cultural, social, personal and psychological experience of consumers. Li Jiaqi's success is not only due to his personal charisma and personal efforts, but also his grasp of consumer psychology. Therefore, for anchors who carry goods, learning consumer psychology and making reasonable use of consumer psychology will be of great benefit to their live commerce.

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