The Cost-Effectiveness Revolution and Emotional Value Economy Brought by E-Commerce Economy

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Abstract. With the development of society and the development of the e-commerce economy, more and more brands and e-commerce have emerged, and a product is no longer just a few brands, but has produced a lot of affordable alternatives. Rational consumption has become a new development trend. At the same time, a new emotional value economy has also been created. Previous studies have usually looked at people's choice of price. This paper not only considers people's sensitivity to price but also explores the rational consumption and emotional value economy generated by people's consumption patterns in combination with the e-commerce economy. In this paper, a database was used for data collection The company's published annual financial report data is also used. The data were analyzed and summarized in combination with the research of previous scholars. It is concluded that there is a trend of rational consumption and reverse consumption in consumption. At the same time, society presents the pursuit of emotional value consumption, and the attitude of consumption has changed from the previous price of higher quality, the better, and the pursuit of brand, to the pursuit of cost-effective affordable alternatives. It is no longer about satisfying emotional value through high consumption, but about being spiritually satisfied.

Keywords: Rational consumption, Emotional value economy, Cost-effectiveness, Affordable alternative, E-commerce economy.

1 Introduction

The development of the Internet has given rise to a new kind of economy, the e-commerce economy. In such an environment, there is a large gap in the price of goods with the same effect, and the choice of goods is more diverse, and people's consumption patterns are gradually changing. People are no longer blindly pursuing brands and prices to satisfy their emotional value, but more about pursuing spiritual satisfaction, and are no longer dominated by material satisfaction. The emotional economy has a huge impact on consumer use of e-commerce.

Previous studies have shown that the e-commerce economy has given rise to rational consumption and emotional value. Li has studied how consumers' consumption behavior changes with the development of the e-commerce economy. She shows in her research that the e-commerce economy makes consumers' consumption no longer limited

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by time and place. With such convenience, consumers' behavior patterns reflect the pursuit of a higher level of spiritual and material enjoyment. At the same time rationalize consumers' shopping behavior [1]. Xiong et al. use the BERT-BiLSTM Model to explore consumption intent in live e-commerce barrage. They find that e-commerce gives users a new way to purchase products and extends a new path for the traditional market. The results they get have demonstrated the efficacy of the proposed method for recognizing consumption. At the same time, they also found that e-commerce has made people's consumption behavior more and more rational [2]. Guo et al. constructed a research model on the factors influencing the consumption behavior of Generation Z's e-commerce live broadcast. They combine the data through a questionnaire with SPSS 26.0. The study shows that online attention has no significant positive influence on consumption, but perceived behavioral control has a significant positive influence on consumption behavior intention [3].

It is worth noting that the emotional economy also has an intermediary role. In some occupations, emotions also become part of labor due to the need for emotional states. Ntim et al. points out that in the profession of preschool education. The emotional labor of teachers affects the quality of education. Emotional labor can affect the mood and emotional state of burnout. The costs and benefits of emotional labor are reflected in the relationship between emotional labor and well-being [4].

In previous studies, there have also been studies that specifically focused on college students. Zhang et al. tracked the real-time consumption of college students on online shopping in first-tier cities through smart logistics. Because of the small sample size, they also combined previous data research to conclude that college students are affected by e-commerce, and their consumption behavior shows three characteristics: mostly impacted by social power and perception of risk, features by pleasure and online trust [5].

Anckar used surveys conducted via email, they inquired about Finnish consumers to understand the basic principles of consumer agreement and rejection of electronic consumption, as well as the channels through which e-commerce perceives the value needed by consumers. Their research indicates that the group studying consumer behavior in e-commerce consists of rational consumers and the workings of e-commerce primarily unfold through rational consumers [6]. Addressing how e-commerce emotionally influences consumer spending, Meng et al. use a questionnaire and AMOS version 17.0 software to analyze the data of the Structural Equation Modelling to investigate how celebrities and consumers in the same livestream influence consumption using e-commerce. They conclude that e-commerce can stimulate consumers' emotions and the emotions of audiences watching online celebrities can indirectly influence consumers' willingness to purchase products recommended by online celebrities [7]. Some studies explain the psychological drivers behind consumer trust in the e-commerce economy. Basso et al. ask consumers to give gifts to someone they know using one of four types of user interfaces. The results they get indicate that real-time interactivity, but not voice, increased judgments of friendliness and the trustworthiness of the salesperson. They discuss these and other results, and their implications for e-commerce [8].

Historically, there has been an emotional economy. Rotheryet al. shows that in eighteenth-century England, a hedonic economy born out of pleasure emotions emerged in

society. In the same way as the current emotional economy, both economic models are rooted in human feelings. It can be seen that the essence of the development of the emotional economy in today's society is the self-satisfaction of consumers with the emotional world. Emotional economy is the inevitable product of social development to a high level, and it is also a sign of the development of the times [9].

For the economy and society, the majority of the population plays an important economic role. For the marginalized population, the emotional economy occupies a dominant position when this part of the population exerts economic value. In a book about the emotional economy of holidays in the UK, Boddice et al. argues that the use of quantitative methods to analyze the well-being of people ignores the marginalized, and that the economic role of the marginalized is dominated by emotions in the political environment [10].

This paper mainly uses the method of combining survey forms with SPSS databases. In the context of the development of e-commerce, this article will study the consumption behavior and mentality of consumers and how e-commerce has changed their consumption behavior and mentality. At the same time, it makes simple predictions about the consumption behavior of future consumers. However, because the research method does not confirm the scientific nature of future predictions, future research only makes predictions on consumption behavior, and future studies can make more scientific predictions on this basis.

2 The Current Situation and Trend of E-Commerce Economic Development

2.1 The History of E-Commerce Based on the Development of the Internet

The predecessor of the Internet is ARPA of the United States. Scientists first consider connecting different nodes, so that even if one node is destroyed, there are other nodes. Next, people wanted to let networks communicate with each other, so they established the basic protocol of the Internet. Internet-based e-commerce originated in the World Wide Web era in the 1990s. During this period, browsers have developed very well, users can access the Internet very easily, and commercial restrictions have been lifted. In the beginning, e-commerce was just for browsing and purchasing the same products between different regions. With the development of cloud computing and big data, e-commerce has also added user-generated content, making the user experience better. From then on, e-commerce began to enter a rapid development stage until now. TikTok is currently the top e-commerce platform in China, and TikTok also has a service platform overseas. Therefore, TikTok has a good reference value in e-commerce and emotional economy. This paper will take TikTok e-commerce as a representative to carry out the current economic trend and development status and characteristics of e-commerce.

2.2 The Current Situation and Trend of E-Commerce Development

According to the case of TikTok, e-commerce is mainly developed through online platform sales in today's society. In Tiktok e-commerce, more than 50% of users directly place orders for goods through short video content, and the repurchase rate of high-frequency goods reaches 30%. The coverage area of e-commerce is very broad, with sinking markets covering almost every city and a large scale.

E-commerce has also facilitated the purchase of cross-border goods, and in today's interconnected world, the development of e-commerce is inevitable. In the future, e-commerce may also incorporate AI applications and the concept of metaverse.

2.3 An E-Commerce Analysis Using Tiktok as a Case

TikTok is an important product of the development of e-commerce. Tiktok e-commerce is a business of Tiktok, involving live video shopping, short video shopping, etc. This paper summarizes and forecasts the annual report data of Tiktok's parent company ByteDance in the past five years, and collects data such as the total transaction volume, user activity, main categories, number of businesses, and user profiles of Tiktok. To verify the accuracy and timeliness of the data, the paper cited recent credible sources. The main ones are the official announcement of Tiktok and China's hot media: microblog data and Baidu Encyclopedia. As well as iResearch Consulting and Cicada Mama Data Platform. From the data analysis, the total transaction volume of Tiktok in 2022 will increase by more than 80% year-on-year, about 1.41 trillion yuan, ushering in the upsurge of Tiktok e-commerce. In 2023, the total transaction volume will exceed 2 trillion yuan, with live-streaming e-commerce accounting for the largest proportion, about 60%. In 2024, it will reach about 3 trillion yuan, and TikTok E-commerce will occupy most of China's market share. The daily active users have exceeded 70 million by 2023, and the penetration rate of e-commerce users is still increasing. According to estimates from third-party organizations, in 2023, more than 120 million users will complete shopping through TikTok. From this, it can be seen that e-commerce is developing well in today's society and showing a trend of continuous expansion.

3 Emotional Economic Analysis in a Social Context

The paper will combine theories to analyze the economic analysis of emotions in the social environment from three aspects. The first level will be analyzed from behavioral economics. Psychological account theory breaks with the traditional utility maximization assumption and makes people willing to spend for their emotions. For example, the consumer's psychological account does not have any expectations for a class of goods, and it can also be said that the expectation for a class of goods is 0. From the perspective of social preference theory, with the development of e-commerce, people follow the public in live broadcasts and produce more and more emotional consumption behaviors. Most consumers have a herd mentality. And the Internet has allowed a large number of consumers to gather in the same time and space. This kind of gathering makes the herd mentality more prominent. The second level is from a sociological point

of view. Emotions are a product of social structures and a tool of resistance. According to the sociological theory of emotions, capitalism commoditizes emotions through emotional labor. And the development of e-commerce has made this characteristic more obvious. According to KPMG's data analysis, 72% of users impulsively placed orders during a live broadcast because they were emotionally infected by the live broadcast. Tiktok's GMV target for 2023 is 200 million yuan, with more than 600 million daily active users, and the average stay time per live broadcast is 25 minutes. However, it is worth noting that due to the impact of excessive marketing, the average daily viewing time of users has dropped from 78 minutes in 2021 to 48 minutes in 2023. The third level is from a psychological perspective. From the theory of emotional contagion, social media accelerates the diffusion of group emotions through the mirror neuron effect. E-commerce expands this diffusion model to lead consumers to emotional spending. For example, in e-commerce live streaming, the live broadcast room is usually not just one person, but multiple people cooperate with each other. Pull up the sentiment of the purchase. The product usually shows the number of purchases, and when the number of purchases increases, consumers will be more inclined to spend. The emotional economy plays a very important role in stimulating online consumption and making the social economy more dynamic. The emotional economy also makes consumers' consumption channels more flexible, resulting in more liquid money in society.

In the social environment, the emotional economy has brought new employment opportunities to society: anchors with goods, decompression halls, pet economy, psychological healers, etc. The share of sentiment in GDP has increased. China's live-streaming industry has spawned 2 million streamers, accounting for about 7% of the flexible employment population. The emotional economy reconstructs consumer behavior. Consumers' consumption concepts have shifted from materialism to emotional satisfaction.

But the emotional economy can also hurt the economy. The emotional value economy under e-commerce has exacerbated the instability of the global economy. Economic growth is slowing and society is facing inflationary pressures. The job market is fragmented, and the demand for highly skilled personnel is increasing. In terms of investment, people's investment amount has decreased, and venture capital has decreased, which has exacerbated the downward trend of the economic cycle. The emotional economy could also lead to a bubble economy. Because emotions are irrational and changeable, economists are unable to make a specific assessment of them. The capitalization of sentimental value is likely to be over-extended and create a bubble economy. For example, in the secondary market, sellers will overestimate the psychology of consumers, so as to raise the price too high.

4 Suggestions and Prospects for the Future

In the future, the emotional value economy under the influence of e-commerce. There may be more applications in AI. AI's perception of human emotions is still immature, and AI may predict consumer sentiment through the amount and speed of consumer purchases in the future. By analyzing the emotional reactions of consumers, sales

strategies can be optimized the consumer's sentiment is specifically defined by the AI program, and then the AI can infer the consumer's consumption behavior. Such a forecast would make the emotional economy more stable. There may also be more breakthroughs in customization. Algorithms under big data can bring customized services, and there will be a more obvious guiding effect on people's emotional consumption. The impact of the sentiment value economy on the economy is also influenced by policy and technological developments, not just by the development of e-commerce. In future research, further research on emotional economy can be carried out on these aspects. Nor do these individual factors affect the emotional economy independently. These factors are also interrelated and collectively have an impact on the emotional economy. Later researchers can also mathematically model the influencing behavior of these factors. Researchers can then convert qualitative effects into quantitative ones. The e-commerce sentiment economy in the metaverse is still an unexplored space. Further research in this area can be further explored. At the same time, this article does not provide a global analysis of the emotional economy. Future research could also provide a further analysis of the emotional economy in the context of international relations.

5 Conclusion

This paper examines the emotional economy based on e-commerce and its impact on society. Specifically, the background and reasons for the emergence of an emotional economy are studied, as the guiding role of e-commerce in the emotional economy. The study came to some conclusions. The development of e-commerce has made online shopping a common phenomenon. This makes shopping easier for consumers. This gives a reasonable platform for the development of the emotional economy. With the maturity of e-commerce and the development of the social environment. A large number of consumers on the web are gathered together. The combination of psychology and economics, such as the theory of psychological accounts, the sociological theory of emotions, and the theory of emotional contagion, has led to the emergence of emotion-driven consumption. The emotional economy makes the socio-economic vitality of society. The emotional economy also highlights the role of AI in the economy in the future. The emotional economy generated by e-commerce makes it possible for AI to generate more new economic models in the future. The government should also make laws for the emotional economy. E-commerce is difficult to regulate due to its convenience and efficiency in transmitting information. The government should formulate a systematic legal and regulatory system so that the emotional economy can develop healthily and sustainably. And there should not be too much room for arbitrage.

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