



Research on Consumer Irrational Consumption Behavior in Live Streaming

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Abstract. In recent years, online shopping has become an emerging way of shopping, giving rise to forms such as live streaming sales. Live streaming e-commerce is essentially a new form of online consumption that combines live streaming and e-commerce, achieving two-way interaction between hosts and consumers through multiple platforms. Live streaming sales is primarily focused on selling products, with the aim of helping businesses expand their sales channels and achieve higher profits. The popularity of 5G networks has made high-definition live streaming the norm, while the intelligent development of mobile terminals has significantly lowered the threshold for live streaming participation. Lightweight electronic devices and fully covered networks greatly enhance consumers' flexibility in using the internet, making their consumption patterns no longer limited by time and space. Consumers can use fragmented time to watch live broadcasts, complete payments, and other operations anytime, anywhere. In addition, through live streaming platforms, businesses and platforms can not only achieve rapid capital flow and monetization, but also effectively save operational costs. However, consumers are likely to carry out some irrational consumption during live streaming. The reasons behind these behaviors are worth considering.

Keywords: Live streaming, irrational consumption behavior, consumers, platforms.

1 Introduction

Live streaming e-commerce features an emotionally connected and instantly feedback mechanism [1]. This greatly stimulates consumers' irrational consumption. Impulse consumption can be an exact example. This consumption pattern brings temporary satisfaction. But it also carries potential financial risks. Additionally, it may lead to issues such as a lack of social responsibility [2]. This article analyzes the significance of this behavior. It is especially for consumer rights and healthy development of the industry. It can provide guidance for regulating the market and correcting consumption.

2 The Irrational Consumer Behaviors in Live Streaming

In live streaming e-commerce, consumers' irrationally consumption behavior not alone. It is presented through various specifically behavioral pattern. These behaviors are close related to the immediacy and interaction of live streaming. They are also related to the error of consumers' own decision-making. It can classify based on currently live streaming e-commerce practice cases, as well consumer behavior data. Its specific performance can be typed into the following four kinds.

2.1 Impulse Buying

Impulsive buying is the common performance of irrationally consumption in live streaming. Its core feature is that consumers have not formed a clear purchase plan [3]. They were stimulated by the live streaming atmosphere. As a result, they quickly completed the order. In traditional e-commerce, consumers first browse and then compare. Finally, they made a decision. The difference is that live streaming e-commerce has real-time interaction and sensory stimulation. Additionally, there is limited time pressure. These compress consumers' rational thinking time. It prompts decision-making behavior towards immediate response. The high immersion of live streaming scenes is key. It triggers impulse buying. The anchor conducts real-time interaction and product demonstrations. This is in accordance with the rules of time limit, limited quantity, etc. These collectively create a sense of urgency in decision-making. It makes consumers feel that if they don't place orders in a timely manner, they will miss the opportunity. In this scenario atmosphere, consumers ignore rational judgments about their real needs and the practicality of the product.

2.2 Blindly Following the Trend

Blindly following the trend is reflected in consumers shopping without considering their own needs. They give up autonomous decision-making. They are driven by external group behavior and opinions to consume. This is the manifestation of herd behavior in live streaming scenes. According to social identity theory, individuals will refer to group behavior in uncertain situations. They use this to reduce decision-making risks and gain a sense of belonging. The live streaming scene perfectly embodies this. The authoritative image of the anchor and the collective consensus of the barrage result in blind conformity [4]. The anchor creates a persona to gain trust. They make their recommendations considered reliable references by consumers. And the large amount of recommendations and other information in the barrage also has an impact. They formed the suggestion of choosing the right group. This further weakens consumers' willingness to make independent judgments. From the perspective of consumer psychology, this behavior is essentially consumers replacing individual decisions with group decisions. They use this to avoid the risk of decision-making errors. But they overlooked that group selection may deviate from their own needs.

2.3 Excessive Consumption

Overconsumption refers to consumers purchasing goods beyond their economic capacity. They may be pursuing discount offers. The key is the misleading effect of discounts on consumer rationality. Consumers pay attention to the utility of the product itself when evaluating purchasing behavior. It refers to the value of a commodity that satisfies demand. Consumers also pay attention to transaction utility. It refers to the difference between the purchase price and the reference price. The discount mechanism of live streaming e-commerce precisely utilizes this psychology. The rules such as tiered discounts and limited time discounts in live streaming scenes have an impact. They will encourage consumers to increase their purchase volume in order to achieve higher transaction efficiency. The essence of this behavior is that consumers equate preferential benefits with actual benefits [4]. They overlooked the purchasing cost of non essential goods. This ultimately leads to consumer behavior deviating from the core goals. That is to say, consumption is to meet demand. They are trapped in an irrational cycle of consuming for discounts.

2.4 Addiction to Hoarding Goods

Hoarding addiction manifests as consumers hoarding a large amount of goods. The quantity of goods far exceeds their actual usage needs. They engage in this behavior under the stimulation of live streaming promotions. This is essentially the result of the combination of security needs and promotional stimuli. From a psychological perspective, individuals have a tendency to avoid uncertainty [3]. In live streaming scenes, there are information such as limited time supply and scarcity promotion. This just amplifies this mentality. It enables consumers to gain psychological security by hoarding goods. The promotional information in live streaming will make consumers believe that the future purchase cost will increase. Furthermore, they avoid this potential risk by hoarding goods. Meanwhile, some consumers see hoarding as a rational way to save money. They believe that hoarding at low prices can reduce future consumption costs. They ignored the shelf life and storage conditions of the goods. This behavior violates the rational principle of on-demand consumption. It may also cause resource waste due to idle or expired products.

3 Causes for Irrational Consumer Behavior in Live Streaming

Consumers exhibit numerous irrational consumption behaviors during live broadcasts. This is partly due to external scene guidance. Meanwhile, it is also related to internal psychological cognitive biases. External factors include the scene design and mechanism rule construction of live streaming e-commerce [2]. They belong to an irrational inducing environment. And consumers themselves also have psychological characteristics and cognitive deficiencies. They make it difficult for consumers to maintain decision-making rationality under external stimuli. Consumers ultimately form irrational consumption behavior.

3.1 External Factors

The anchor is the medium in the live streaming. They have dual mechanism of building trust and guidance language. They influence consumers decision-making. At trust building, anchors make their character. They shaping themselves as experts. This narrows the distance with consumers. For example, expert style personas increasing authority through professional background. This makes consumers consider anchor recommendation as reliable source of information. Furthermore, consumers reduce their self check of product information. The establishment of this trust relationship is essential transfer of decision-making responsibility [5]. This can reduce decision complex. But this also leads irrational decision-making.

Live streaming e-commerce platforms guiding consumer behavior through mechanism design. Its core is use principles of consumer psychology to optimize decision-making path. This can reduce the resistance to irrationally consumption. At the same time, it also increases the cost of rationally decision-making. From the perspective of promotional mechanism, the platform has rules such tiered discount. It reshaping decision-making logic of consumers. Ladder discounts encourage consumers increase their purchase volume order to obtain discounts [2]. Its essence is to use transaction utility to induce excessively consumption. Time limited flash sale compresses decision-making cycle through time limit. It prevents consumers from fully assessing their needs. Consumers tend to place orders quickly. The commonality of these mechanism designs lies in. They all shift the focus of consumer decision-making from product value to obtaining discounts. They further deviate consumers from the rational consumption track. From the perspective of technical algorithms, the personalized recommendation mechanism of the platform also has an impact. It further promotes irrational consumption tendencies. Accurate recommendations based on user behavior data enable consumers to continuously engage with live streaming content that aligns with their interests [5]. This increases the probability of consumption stimulated by the scene.

3.2 Consumer's Factors

From a psychological perspective, some consumers have herd mentality and comparison mentality. There are also some consumers who have mentality of taking advantage and entertaining consumption. From a cognitive perspective, some consumers have insufficient access to information. They have a bias in their understanding of the product. Some consumers lack rational judgment ability. More specifically, firstly, the psychological needs and bias of consumers are crucial. This is internal root of its inability to make rational decisions during live streaming. Consumers may have herd mentality. According to social identity theory, individuals refer to group behavior in uncertain situation [2]. This can help them reduce decision-making risk. The recommendations of live streamers and the collective opinions of bullet comments work together during live broadcasts. They provide consumers with a reference for safety decisions. This making them tend to follow group choices. But the choice may not match their own needs. Consumers may also have competitive mentality. Based on

the theory of self-identity, individuals construct their self-image and gain social recognition in their consumption behavior. The high-end products displayed by the anchor during the live broadcast stimulate consumers' sense of comparison [6]. This makes them consume pursuit of surpassing others. In this situation, they overlook actual use value of the goods. In addition, consumers also have some cognitive issues. Their information acquisition is singular. Consumers' understanding of product information is overly dependent on anchor explanations. They lack comprehensive verification. In the live streaming scene, the anchor hopes to promote sales. Therefore, they usually only present product advantages and avoid defect information. If consumers do not actively supplement information through other channels, it will lead to information asymmetry [5]. This leads to their decision-making being based on one sidedness. Therefore, they find it difficult to make rational judgment. In addition, consumers may have weakly rational judgment ability. Some consumers lack consumption experience. Their Internet information discrimination ability is limited. They lack rational evaluation ability. Young people are easily influenced by trend and emotions. Therefore, they may overlook their economic capacity. The middle-aged and elderly population may have insufficient understanding of professional information. They will be misled by the emotionally language of the anchor. They may eventually fall into irrational consumption.

4 The Impact of Irrational Consumer Behavior in Live Streaming

For consumers, this may result in economical losses. This can also lead to idle waste and consumer anxiety [7]. For the live streaming industry, this will boost sale in the short term. But in the long run, it may trigger crisis of trust. It may even affect industry reputation. For society, it promotes irrational consumption habit. Additionally, it causes wastage of resource. The irrationally consumption behavior of consumers in live streaming e-commerce does not exist alone. It has many negative influence. It involves consumers and the live streaming industry. Even it may affect the functioning of the entire society. On no account should it be ignored.

For consumers, the most direct impact is economic loss. Many consumers, driven by impulse, often exceed their planned consumption. Office workers may apply for consumer loans. They purchase high-end products beyond their income level. As a result, they fell into vicious cycle. In addition, irrational consumption can also lead waste. Consumers who hoard goods may eventually receive expired items. This wastes money, and also occupies living space [8]. And it can also cause psychological stress. Many people feel anxious when faced with large amount of unused things. Because they realized that their decision was unreasonable. But they cannot stop wasting. In addition, frequent irrationally consumption further weakens consumers' ability to make rationally choices [7]. This creates vicious cycle. They are increasingly easily guided by the live streaming atmosphere.

For the live streaming industry, this impact presents contradictory pattern. That is to say, short-term gains, long-term damage. In the short term, irrational consumption can

significantly increase popularity of live streaming. Many live streaming rooms of anchors stimulate this behavior. Therefore, they achieved great sales growth. However, this growth is unsustainably. Consumers will find that the products they impulsively purchase do not meet their needs. Or they may discover hidden quality issue with discounted products. In these cases, their trust in the anchor and platform will be severe damaged. For example, the anchor may exaggerate the effectiveness of health products during the live broadcast. A large number of consumers purchased but found them no effect. Subsequently, negative comments can cause the reputation of the anchor to collapse [9]. It will also make consumers cautious about live streaming promotions. This ultimately erodes the long-term reputation of the industry. Once a trust crisis happening, it is extremely difficult for the industry to regain consumer confidence. This hinders its healthy and sustainable development.

For society, irrational consumption in live streaming exacerbates unhealthy consumption habits. It also causes waste of social resources. In live streaming, following trends has become a common behavior. Consumers buying because others are buying. This mistaken the core value of consumption. In addition, irrationally consumption further wastes social resource. Manufacturer may increase the production of popular products basis on false demand signals [9]. This leads inventory backlog. The transportation and packaging of large number of unnecessarily goods consume energy and material. The ultimately disposal of products also adding pressure to environmentally governance. In the long run, this goes against the concept of sustainable consumption [8]. And it also affects the effective allocation of social resource.

5 Suggestion for Guiding Consumers to Consume Rationally in Live Streaming

For consumers, they should enhance their self-awareness. They should actively establish rational consumption concept. Additionally, it is necessary for them to learn information judgments skill. At the level of anchors and platform, it is necessary to regulate live streaming behavior. The society should strengthen the disclosure of product information. In addition, it is necessary to eliminate false advertising. From regulatory perspective, it is necessary to improve relevant laws. It needs to strengthens the supervision of live streaming e-commerce. For the entire society, the society should advocate for culture of rational consumption. The media should strengthen positive guidance. Guiding consumers to return to rational consumption is not something that can be accomplished by one alone. It requires joint efforts from all parties. Consumers and live streaming platforms need to work together. Regulatory agencies are also needed.

For consumers, the core is to enhance their decision-making ability. Only in this way can they resist external temptation. Firstly, consumers should establish clear and rational consumption concept [1]. Before entering the live broadcast, they can consider their actual needs. They can create shopping needs list. They should indicate the quantity of required product and budget constraints. They need to strictly follow the

checklist. Secondly, consumers should improve their information identification skill. Consumers should not rely solely on the host's introduction. On the contrary, they can compare price and reviews on multiple e-commerce platform. They can even consult professionals. The live streaming e-commerce industry is constantly developing and growing, and there is an urgent need to introduce specialized laws and regulations to regulate and fill the legal regulatory gap in this emerging business model. The existing laws are relatively scattered and not systematic enough, and the boundaries are not clear enough. It is necessary to sort and integrate the existing laws, establish clear legal basis, clarify the legal status and legal responsibilities of anchors, etc. At present, the normative documents directly managing the live streaming e-commerce industry have weak legal effectiveness and insufficient deterrent power. It is possible to appropriately increase their legal effectiveness level to better regulate the industry. At the same time, the punishment can be appropriately increased to force internet celebrities to self manage, be cautious in their words and actions, and play a stronger warning role [10]. In addition, clarify the power boundaries between the state and platforms in terms of regulation, strengthen platform supervision, improve corresponding legal systems, review the effectiveness of platforms in fulfilling regulatory obligations, and avoid the occurrence of platform inaction or inaction. Due to the dual identity of regulatory and market entities, the platform is prone to improper exercise of regulatory power. Therefore, the principle of openness and transparency should be adhered to, and public suggestions should be widely solicited when formulating rules and regulations to ensure the democratic and fair regulatory process [1]. The platform should regularly organize training for internet celebrities and merchants to improve their own quality and professional ethics, establish legal awareness and social responsibility awareness. At the same time, regular assessments should be conducted on internet celebrities, and if any violations occur, corresponding measures should be taken immediately [11].

For live streamer and platforms, they need standardize their operation. Improving transparency is of greatly significance as well. The live streamer should responsible for information disclosure. In the product promotion, they must honestly introduce the advantage and drawbacks of product. In addition, the platform can optimize its mechanism design. They can also add a cooling off period for orders. It is specifically by allowing consumers to cancel orders within 10 minutes of placing them. This can reduce impulsively decisions. The anchor should also optimize the live streaming sales experience. Firstly, they should create a marketing atmosphere for specific products. The anchor can attract consumers to participate in sales activities in the live broadcast room through Q&A interactions, lucky draws, and other methods, increasing their sense of participation and stickiness [10]. For example, setting up a lottery segment during the live broadcast, where consumers can participate in the lottery by answering the correct questions, increasing their interest in watching and willingness to purchase. In addition, forwarding discounts, limited time discounts, and other methods can be used to continuously increase the popularity of live streaming rooms. When the livestream is most popular and consumers' attention is most focused, the anchor can successfully promote products and increase sales conversion rates. Secondly, they should shorten the distance between themselves and consumers. The anchor uses a more friendly address to reduce online barriers and engage in emotional communication and

interaction with consumers, forming a positive consumer perception, which in turn triggers emotional resonance and encourages them to actively consume. For example, anchors can address consumers as friends, etc., to make them feel warmth and care. Broadcasters and merchants should also promptly address the problems and doubts encountered by consumers during the purchasing process, and provide good after-sales service [12]. For example, timely handling of consumers' requests for returns and exchanges to provide them with a good shopping experience.

From the perspective of regulatory authorities, they should improve the legal framework. At the same time, they also need to strengthen law enforcement. Relevantly departments should formulate special regulations for live streaming e-commerce. It needs to clarify the responsibilities of the anchor and platform. For example, it can stipulate that platforms must bear joint and several liability for false promotions by broadcasters [10]. Merchants must provide complete product information. At the same time, it is necessary to strengthen cross departmental joint law enforcement. Relevant departments can random check popular live streaming rooms. They should publicly disclose the results to create deterrence.

For the entire society, it is necessary to promote culture of rational consumption. Strengthening positive guidance is crucial. Communities can organize lectures on rational consumption. It teaches residents how to identify false information in live broadcasts. Schools can incorporate consumer education into their campus curriculum. This guides students establish correct consumer values. They should avoid blind comparisons. Mainstream media should play guiding role. On the one hand, they can report positive cases. On the other hand, they can expose typical cases of irrational consumption. This can alert the public to risks. Also, the supervision of netizens plays a crucial role in regulating the industry and governing market order. Relying solely on the platform's own strength cannot continuously supervise all live streaming rooms, and requires the assistance of netizens. Advocate for the establishment of a sense of supervision throughout society, eliminate the mentality of bystanders, and promptly report any unfair competition or inappropriate words and actions of broadcasters [10]. In addition, the legal awareness of netizens is relatively weak, and people lack the awareness to retain relevant evidence when purchasing goods in live streaming rooms. This is an important reason why many consumers find it difficult to protect their rights after their rights are damaged. Consumers' awareness of fraud prevention should be cultivated, such as collecting and retaining relevant evidence before purchasing, to provide strong support for later rights protection [12]. Relevant knowledge can also be popularized to enable consumers to independently identify marketing language. Guiding consumers to protect their legitimate rights and interests through legal means can force the industry to improve its legal and integrity awareness, and reduce the occurrence of illegal activities such as fraud.

6 Conclusion

As emerging consumption model, live streaming sales has had significant impact on consumer behavior. It involving both opportunities and challenges. For its negative

impact, it is necessary to deal with root cause. All sides should explore effective ways to solve the problem. Especially for consumers, cultivating good consumption habits and concepts is crucial for the stability and high-quality development of China's economy. To this end, the government, live streaming platforms, and individual consumers should work together to establish a correct consumption concept, advocate a frugal and hardworking attitude towards life, integrate socialist core values into all aspects of social life, and promote the sustainable and healthy development of live streaming e-commerce economy. Based on the current situation of internet celebrities' live streaming sales, this article sorts out common problems, deeply analyzes the reasons for the chaos of live streaming sales, and proposes the construction of a collaborative governance system. The specific approach is: firstly, the country improves relevant laws and regulations and strengthens supervision; Secondly, optimize platform mechanisms, including regulatory mechanisms, influencer management mechanisms, and consumer feedback mechanisms; Thirdly, internet celebrities should strengthen self-management and industry self-discipline; Fourthly, enhance the awareness of netizens' supervision and rights protection, and improve their legal awareness. With the gradual establishment of a collaborative governance system, industry self-discipline will continue to strengthen, and the problem of influencer live streaming sales will also be alleviated. Consumers' rights and interests will be more fully protected, which is conducive to the vigorous development of the industry.

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