



Live Streaming Commerce: A Comparison of the Effectiveness of Different Streaming Models

Jiaming Ding¹ and Yichen Mei^{2,*}

¹ Jiangsu Tianyi High School, Wuxi, 214000, China

² Kiangsu-Chekiang College, Hongkong, China

Rosalynherself@outlook.com

Abstract. Live-streaming is becoming an increasingly popular marketing channel for brands. However, given the wide gap in the results between each type of streaming format, it is a challenge to design branding strategies. This paper considers these three main types: product/direct-sale streams, interest/content broadcast and experience/immersive workshops. These were informed by theory such as the Stimulus Response (S-R) model, Social Presence Theory, Experiential Marketing theory, and the study makes comparative analysis from four dimensions of effectiveness, including conversion rate, average prices, average unit sales volumes, brand reputation, and customer loyalty. The analysis shows that, in general, the main strategy for direct sales is a combination of pricing discounts aiming at achieving high conversion rates within a single episode (up to 20%) have rather small transaction sizes (usually only around 80-150 RMB), and may also harm the company's brand value. On the other hand, content streams foster long-term customer engagement well. Due to increased customer optimism, repeat purchases can reach 30–40%, and turnover can double or triple when compared to traditional selling tactics. To balance short-term cash flow with long-term development, this research finishes by describing how these tactics may be utilised throughout the early, growth, and mature stages and product features.

Keywords: Livestreaming Commerce, Streaming Format Selection, Brand Strategy, Conversion Rate, Average Order Value

1 Introduction

Live stream shopping is one of the fastest-growing trends nowadays, and it is getting bigger every day. It brings brands to a new set of problems regarding decision-making on various types of streaming. Given that there are more and more choices available for live-streaming, businesses find it difficult to optimise their marketing strategy. They must strike a balance between short-term conversion rates and the maintenance of their own brand value, as well as long-term relations with customers. Decisions on what kind of video stream one wants to use need to take into consideration many different tradeoffs, such as making a complex business world for today's companies working under such an economic setting.

With the fast growth in online economy and changes in consumer demand, livestreaming selling has evolved from an early stage with only "celebrities recommend products" as their business logic toward becoming more of an online retail platform that combines entertainment, social network use, information sharing, or purchases in a way that changes the nature of how brands are promoted and consumers buy things. Industry data from the "2023 China Live Streaming E-commerce Industry Research Report" reveals that the market scale for this sector surpassed 49 trillion RMB last year, accounting for over one-quarter of all e-commerce sales in the country. In particular, this industry continues to grow with more than a 30 per cent compound annual growth over the past five years, becoming an important channel for brand communications to their consumers and the growth of their businesses [1]. With the advent of 5G wireless communications, mobile TV services, and better distribution infrastructure, the audience has broadened from influencer partners to also include owned media, micro-influencers, and other industry-specific vendors that enable a varied and dynamic commercial environment with intense rivalry.

However, this situation has led to more and more problems for brand strategy selection. In terms of live broadcast platform changes, there are some positive effects on enterprises' business growth (e.g., short-term promotion strategies such as limited-time discounts). But it tends to put them into endless price competition, which undermines its position. At the same time, brands wishing to create emotional connections by sharing interesting content are bound to experience a long selling cycle and a huge initial cost. Experiential streaming has been increasingly popular because of providing immersive shopping experiences: concerns over whether such practices apply to all products or services, whether it can be accomplished in a cost-effective manner, and if so, what kind of impact would result. What is the right stream of content for the brand based on its stage in the life cycle, and what they are selling? How do they balance short-term revenue against long-term brand health and loyalty? This was now an issue needing resolution.

With the rapid development of e-commerce in recent years and under the pressure to compete with each other among online retailers, there are mainly three popular live streaming models, namely, content-based and context-aware advertising schemes. This study provides an in-depth analysis of the schemes based on the following criteria: modelling assumptions, efficiency metrics, and ideal application conditions.

2 Specific Classification of the E-commerce Livestreaming Methods

Flash sale is a new shopping mode that integrates the elements of amusement, communication and consumption together, whose core logic lies in breaking through the restrictions of time and space by instant communication to reduce customers' decision cost and improve transaction conversion rate. As with many other fast-growing segments, there are now a number of streams that can be broadly categorised based on consumer need or product characteristics: where the three are different in their mode of action, methods for implementation, and services provided to society.

Voice-sell/Shelf Type is still another common format for live commerce that essentially acts like a” digital shop with high conversion rate. It depends mostly on discounting strategy, through the use of fast-paced storytelling and urgency marketing tactics, including limited-time offers, buy-one-get-one-free sales, and discount signs for the purpose of creating a sense of urgency, which leads to an impulse purchase. The presentation is usually simple, with a focus on showing the products, revealing the prices and giving clear instructions for how to buy them. The presenter has to know how to present things persuasively: precise timing management, and quick reaction capability to changing circumstances.

When demand was changing and when the value of the content became more important, people started to see a lot of these kinds of streams called Content/Interest Type. Basically, they are” marketplaces based on trust.” Rather than selling, it is more like: they use high-grade material for the medium. By sharing knowledge, telling good stories, building empathy, and expressing value propositions, they build deep emotional bonds and trust with consumers, subtly nurturing consumer desires. The television environment is one of atmosphere, a cosy living room, expert work area, or day-to-day activity zone. Presentational skills such as content creation, expertise, charm and persuasion are of particular importance.

In the era of streaming services and immersive marketing concepts, new forms of scenarios for experiences were developed. They are mostly used to provide a space where products can be demonstrated, where products are naturally placed in real-life situations. They can build realistic context of use scenarios to give consumers an”as-if” experience, which reduces consumer uncertainty and avoids the cost of simulated testing:

This could let customers know more about the advantages of the product, obviously, in order to trigger their demand for purchasing. The interior design focuses on the sense of authenticity and immersion, which are frequently copies of real production units, real utilisation environments (e.g., campsite, home, or farms), etc. The key skills of the speaker are space design, presentation of products, and contextual meaning.

3 Theoretical Foundations of Different Formats

The differences between the performances of the various methods are due to their underlying theory. From this point, insight is gained into about how they work and when to use them so that the decision of which brand to pick is made on better grounds.

3.1 Theoretical Foundations of Shoutcaster-Type Live Performance: Stimulus–Response and Scarcity

The Stimulus-Response (S-R) model is one of the most basic rules in behavioural science. According to this theory, behaviour can be mainly determined by stimuli from the outside world. By using proper stimuli, specific behavioural outcomes are elicited. For live commerce, these triggers are mainly price-related (e.g. sales), bundle deals, and complimentary offers, urgency tactics (time-sensitive flash sales, ticking clocks),

and availability constraints (exclusive editions, inventory cautions). Presenters emphasise these components with compelling storytelling and graphic support (such as cost savings infographics, time-critical alerts), thus sending them to interested customers for triggering their perception/cognition, so as to generate purchasing impulses. e.g., if the station continually promotes such statements as "special Internet only sale today only" and "only 50 of these left," they are applying cost- and scarcity-based motivation strategies. They do this because these strategies can shorten customers' decision processes shorten the analysis timeframes, and eventually convert to purchase decisions.

Scarcity is the perception of the consumer that he has a limited time, resource and opportunity, so it is important for him. triggering urgency due to fear of missing out (FOMO) (When a product/service is made available only for a limited period of time or quantity, their value perception increases significantly, and they feel compelled to buy immediately. The live selling platform uses this principle well, for example, "special limited-time promotion", "limited quantity" can give people the sense that it is limited or in short supply, successfully eliminating consumer hesitation, and inducing a buying decision. Research on behavioural economics shows that the mere presence of a signal for scarcity triggers individuals' competitiveness and loss-aversion, who have a strong motivation to purchase quickly so as not to risk later remorse.

In sum, the strategy relies on strong exogenous stimuli associated with price and time to automatically trigger a customer's purchase intention, using "time-limited and quantity-constrained" techniques to manufacture a sense of urgency for action. This practice is well documented in the literature. For instance, studies show these kinds of marketing spaces can make people more likely to buy things on impulse and increase their chance of buying something they do not even want [2].

3.2 Theoretical Foundations of Product-Oriented Live Broadcasting: Social Presence, Trust Transfer, Community Marketing, and Value Identification

Social Presence Theory refers to one's perception that someone else is present during an online interaction; when social presence is high, it will enhance the communication efficiency and interpersonal relationship significantly [3]. In the scenario of interactive broadcasting for information dissemination, participants' participation in the process is increased via regular interaction, as well as their affective attitude towards a programme because of the feedback they receive from the broadcasters. This creates an effective sense of connection with others online and makes viewers feel as if they are experiencing it through personal communication with the streamer. Such a communicative practice closes up the psychological distance, enhancing closeness in relation. According to empirical evidence, strong social presence significantly increases the consumers' trust in and intention to participate. plays the role of a key factor to maintain user relationships on content-based livestreaming services.

Trust transfer is an important theoretical framework in explaining consumers' choices in the context of knowledge-based real-time shopping, which mainly relies on consumers' perceptions about similarity and coherence among hosts and products. The intuition here is that credibility built for an audience in one context (the streamer or the

streaming platform) can be transferred across contexts (products promoted by them or their brand image). When they are streaming classes, content creators build up the trust of their viewers because they frequently provide useful content to them, which could contain niche data and/or real-life applications of products in order to underline their credibility, expertise, and charming character. In turn, as a result of these consistent quality experiences, audiences' trust in the influencer will transfer over to their products and brands, thereby reducing product uncertainty and increasing purchase intent.

Recent studies have revealed that the livestreaming environment, particularly for branded livestreams, builds up "collective identity" or "sentimental value," which fosters customers' attachment to the brand as well as their continued engagement with it [4]. For example, Oriental Selection consumers, who trust the agricultural products of Dong Yuhui, a presenter, because they believe him as reliable person. This trust transfer is an important driver for the high conversion rate on the marketplace.

With the production of high-quality content as well as personalised interaction, streamers cultivate an intense sense of social presence in virtual spaces, developing a sense of closeness and trust with the audience; this trust for the content producer may then transfer over into the products or brands that he or she sells. Modern research also shows that "the sense of community" and "representativeness" gained through live broadcasting, especially for brand-sponsored channels, can effectively build customer affective brand relationships and continuous usage intention [4].

3.3 Theoretical Foundations of Situational Livestreaming: Experiential Marketing and Embodied Cognition

Schmitt states that when consumers make a purchase decision, they are not only looking for the functionality of a product, but also the experience associated with it, as well as their perception of its value. He further argues that firms must create an environment which allows buyers to test out products: direct contact with the customer to motivate buying [5]. Unlike a single image or short sequence of frames from a video recording, the immersive experience provided by event-based livestreams is enhanced through dynamic, virtual worlds. In virtual use situations for products in home environments, parks, or farmlands, users can interact virtually with the production chain. It helps to better understand the characteristics of products and eliminate worries about their use in practice. The audience is receiving a complex sensory input – visual, auditory, and kinesthetic—allowing for a complete analysis of function, effectiveness, and value.

For example, an apparel brand might create contextual live-streams which simulate typical situations people dress for (e.g., the workplace), date night, casual meetups, etc. In this session, the speaker is presenting different outfits to match every specific event, which would allow customers a clearer understanding of how versatile and attractive these clothes are. This interactive way is found to be more effective than the traditional display of products in terms of purchase intention.

Embodied Cognition Embodied cognition is an important topic in the study of cognitive psychology. According to this theory, human thinking is closely related to bodies' sensations or interaction with the world.

The coupling of sensorial information with motor actions has important consequences for perceptual judgment. In real-time interactive videoconferencing, the audience receives a sense of presence by watching the demonstrator physically interacting with products (e.g., manipulating objects, showing how they work), and by experiencing physical characteristics of surroundings (e.g., describing taste or smell while cooking, presenting fabric textures). These multisensory experiences help consumers learn about the characteristics of products, thus developing a better understanding of the products in question.

For instance, in a live stream for farm products, the host grows and picks fresh fruits or vegetables, tastes them, and describe its taste attributes. The consumers are visually and audibly immersed in the harvest and consumption process, creating a sense of embodiment that may increase trustworthiness perceptions about the product's value and genuineness.

At its core, scenario-based livestreaming allows consumers a way of "touching" or experiencing the features of products in a virtual environment that mimics some level of physical contact and sensation, thus improving their understanding and feelings about the items, and stimulating the desire to buy from consumers. By analysing data on Douyin, this study finds that livestream shopping generates more enthusiasm for experience products than micro-video contents, such as (specific products (e.g., beauty, clothes), especially high-end experience goods). The results provide concrete evidence in favour of the power of more engaging, experience-based live stream types.

4 Current Research on the Effectiveness of Different Livestreaming Models

4.1 Conversion Rate and User Engagement

Audio content live shopping apps tend to have a high conversion rate during the first couple of minutes. It is likely that a discount or limited-time offer would be needed to encourage people to purchase. The average checkout conversion in a US livestreaming site is around 30% [6].

On the other hand, informational video streams are characterised by longer conversion funnels, but are good for driving metrics such as watch time, click-through rate, conversion rate, and churn reduction amongst viewers. For example, on the annual shopping day of Tmall (618), the brand that launched a live broadcast strategy based on content found that users' average dwell time had doubled, with certain live stream events seeing double-digit and even triple-digit growth percentages over last year's figures [7].

Research has shown that videos in which there is a sense of authenticity in context are more effective at increasing purchase rate for long-lasting customised goods (e.g., home furniture retailers who used "real-life design scenarios and sample products" for their video streams achieved up to 25-30% better conversion rate compared to traditional product-focused video streaming methods [8]. Meanwhile, food companies conducting "farm-to-table livestreams" or "factory tour livestreams" increased customer

trust in the products' quality and cleanliness levels by over 40 percent points, thus resulting in higher conversion rates of sales [9].

4.2 Average Order Value (AOV)

Firstly, low prices are the core selling point of shoutcast-style live streaming. To reflect the low price, the hosts often compare the prices on other platforms; moreover, to quickly attract traffic, new live rooms generally do not set the single consumption amount too high, usually around 50 yuan. It is very difficult to have sales volume if the amount exceeds 100 yuan. For example, a new consumer brand, in order to quickly increase transaction volume, invests all its traffic into the live rooms of top hosts, thus causing customers to develop the mindset that "things usually sold for 30 yuan, but in the live stream, they must be sold for 9.9 yuan" [10].

In contrast, the core advantage of content-based live streaming does not lie in the price. It relies on the sharing of knowledge and information, as well as emotional value, to gain the recognition of consumers and has more power in pricing. There is a larger room for the increase in product unit prices. In terms of specific prices, content-based live streaming also tends towards higher prices. The unit price of some products can reach tens or hundreds of yuan. For example, "in the live streaming of content-based" buyers" on the Xiaohongshu platform, the average order value often remains at around several hundred yuan.

The scenario-based live broadcast integrates products into real or designed use scenarios to help buyers gain a more accurate understanding of the value of goods. By creating interesting scenes and conveying values, this allows for higher average prices and focuses on value over cost-based pricing.

Finally, discounting in pursuit of short-term Gross Merchandise Value (GMV) is a bad strategy if the goal is high Average Order Values (AOVs) [4, 5].

5 Selection of Different Formats

5.1 Startup Brands/Everyday Necessities

For the main objective, in order to rapidly grow in sales and users, it will be important to raise brand awareness.

For marketing strategy, the company should apply high-conversion marketing formats, such as limited-time and special offers, to attract price-sensitive consumers and quickly gain market share. At the same time, the company should provide entertaining content-based live streaming for conveying its own branding indirectly, avoiding long-term discounts, which will damage the brand's reputation. Take Taobao as an example; they can launch limited-time offers such as a "¥9.9 sale of clearance clothing," i.e., one-time or irrevocable purchases intended to appeal to youth looking for inexpensive fads and fashions.

5.2 Established Brands/Premium Offerings

For this purpose, the objective is to establish a product's reputation so that its performance remains unaffected during scale-up.

For the marketing content, the company should focus on content types which build credibility, like 'storytelling' or 'product testimonials'. Use webinars for our main products to attract more effectively. The company should avoid using hard-selling copy, as it may lower the perceived quality of the brand in the eyes of consumers.

5.3 Established Brands/Premium Products

The Objective is to maintain the premium image of the brand, encourage loyalty and regularity in customers' purchase behaviour.

The company should use experiential marketing strategies such as "factory tour" and "product demonstration." Also, adopt storytelling marketing like "consumer reviews" or "company values" for forging consumer bonds. Refrain from pushy selling in order not to harm the brand's image.

6 Conclusion

This study looks at how various livestreaming commerce formats provide varying results in terms of average order value, long-term brand equity, and conversion efficiency. Beyond a single performance-oriented viewpoint, the study shows that strategic alignment between content format, product attributes, and brand lifecycle stage is just as important to livestreaming efficacy as technological execution. Price-driven streams run the danger of diminishing perceived value and trapping companies in price rivalry, but they are excellent at quick conversion through stimulus-response and scarcity dynamics. In contrast, content-based livestreaming strengthens brand connections and increases pricing power over time by fostering social presence and trust through knowledge sharing and story involvement. By placing items in realistic usage scenarios, scenario-based and experiential livestreaming further improves customer comprehension and emotional connection. This works especially well for durable and experience goods.

The results indicate that livestreaming should not be seen as a standard sales strategy but rather as a portfolio of strategic tools. By choosing livestreaming formats that suit their market position, product qualities, and growth stage, brands must deliberately strike a balance between short-term revenue goals and long-term brand development. This study offers an organised framework to direct management decision-making in an increasingly complicated live commerce environment by fusing conversion metrics with theories of social presence, trust transfer, and experience marketing.

Authors' Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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