Research on the Current Situation and Optimization Countermeasures of China's E-commerce Live Streaming

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Abstract: With the saturation of China's online shopping market, competition among major e-commerce enterprises has become increasingly fierce, and the disadvantages of the previous marketing methods become prominent. Webcasting has attracted the attention of e-commerce platforms because of the advantages such as authenticity, interactivity and entertainment, so e-commerce live streaming has gradually come into sight. However, as an emerging method of marketing, still has many problems yet to be solved. Based on the current situation of e-commerce live streaming in China, the existing problems were analyzed and summarized in the paper, and the corresponding optimization countermeasures were put forward in order to provide reference for e-commerce enterprises.

1. The Current Situation of E-commerce Live Streaming in China

1.1 The Rise of E-commerce Live Streaming

According to the 44th China statistical report on Internet development released by the China Internet Network Information Center (CNNIC), the number of Internet users in China reached 854 million as of June 2019, 99.1% of which used mobile phones to surf the Internet and there were 639 million online shoppers. The popularity of mobile devices such as smartphones and the policy of "boosting Internet speed and cutting costs" have promoted the fast development of the online live streaming industry. In 2019, the number of online live streaming users reached 433 million [1]. In recent years, competition among major e-commerce platforms has become increasingly fierce. The traditional e-commerce marketing methods exhibit higher customer acquisition cost (CAC) and lower gross merchandise volume (GMV). The strong traffic and monetization of online live streaming have attracted e-commerce platforms and enterprises to conduct an "e-commerce + live streaming" marketing strategy, so the market size of the e-commerce lives streaming industry has been rising. According to the data released by iiMedia Research, the size of e-commerce live streaming market is estimated to reach 916 billion yuan in 2020, as shown in Fig. 1.
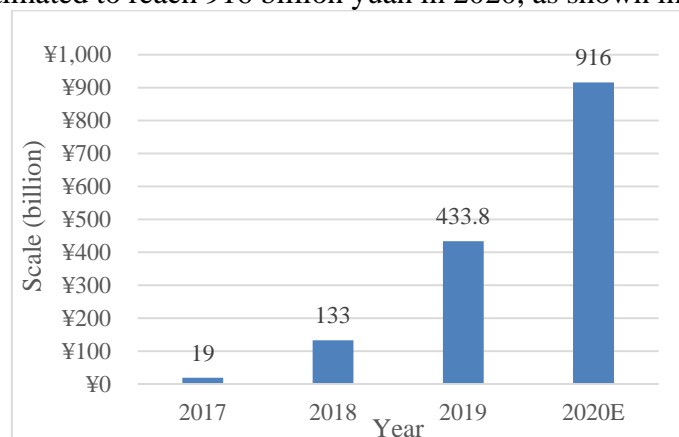

Figure 1. The size of China's e-commerce live streaming market

Live streaming for e-commerce was firstly seen in China in 2016 And Mogu.com was the first e-commerce platform to develop live streaming marketing that year. They added a live streaming section in the app to achieve the complete integration of the online purchase process and live streaming. In 2019, the live streaming GMV of Mogu.com increased by 155% year on year. In May 2016, Taobao launched "Taobao Live", which trained a batch of internet celebrity anchors such as Li Jiaqi and Wei Ya, and drew more traffic to Taobao. The turnover of Taobao Live in 2019 exceeded 100 billion yuan, and the conversion rate of entering the store exceeded 65%. Currently, JD.com, KaoLa.com, Suning.com and other major e-commerce platforms have also been engaged in e-commerce live streaming services.

1.2 Types of E-commerce Live Streaming

From the perspective of e-commerce live streaming marketing platforms, e-commerce live streaming can be divided into the following three types.

The first type is to build a live streaming section on the traditional e-commerce platforms. The seller or the anchor can apply for a live streaming room to sell products. It can make good use of the original traffic of the e-commerce platform, but the cost and technical threshold are relatively high. Mature e-commerce platforms generally adopt this model, such as Taobao.com and Mogu.com.

The second is to carry out e-commerce live streaming on the live platforms. There are a large number of anchor celebrities on live streaming platforms such as Tik Tok and Kwai. These celebrities have thousands of fans who show strong loyalty. They are key opinion leader among consumers and influence the aesthetic taste of fans. Many e-commerce platforms or enterprises have cooperated with the anchor celebrities of these live streaming platforms to promote and sell their products, and have achieved good results. The advantage of this type is that it can attract users of the live streaming platforms to the e-commerce platforms, and the products can be sold through online celebrity recommendation. For example, the product link of JD.com and Taobao.com can be added to the Tik Tok. The disadvantage is that the live streaming platforms will charge a certain fees.

The third is the emerging e-commerce live marketing platforms. The difference between this type and the first is that the platforms only sell products through live streaming. These platforms have lower requirements for anchors and merchants, and attract some small and medium-sized enterprises to settle in. However, these platforms have a limited number of users at the start-up stage and there are few live streaming viewers.

1.3 Characteristics of E-commerce Live Streaming

As a new marketing method, e-commerce live streaming has the characteristics of authenticity, interactivity and entertainment. A major pain point of online shopping is that customers cannot directly access the goods [2]. Sellers usually display the goods through pictures and videos, but pictures and videos may be processed by image technology. Therefore, the real object often does not match the picture or video, which makes consumers distrust the information displayed on the e-commerce platform. E-commerce live streaming breaks the restrict between time and space. Customers can learn more about the details of the products more intuitively through the anchor's explanations and trials, which will give customers a stronger sense of reality and enhance consumer trust [3]. Traditional e-commerce mainly interacts with customers through customer service and online evaluation. But during the e-commerce live streaming, people can interact with the anchor and other users in a more timely manner through the barrage and solve the problem more efficiently. In the process of e-commerce live streaming, the anchor will not only promote and sell goods, but also share the fun in life, organize interactive mini-games, conduct lottery, to drive consumer interest. This will make customers feel entertaining and enhance their sociality [4].

2. Problems of E-commerce Live Streaming in China

2.1 Homogenization of Content

At present, the majority of e-commerce live streaming platforms are dominated by user generated content (UGC), with less professionally generated content (PGC). There is less quality content on platforms. In the selection of live streaming products, e-commerce live streaming mainly focusses on the field of beauty and clothing [5]. The setting of the scenes is mostly indoor. The layout style of the live streaming rooms is similar and not novel. The live content is mainly composed of the following three: product introduction and trial use; answering the questions raised by users through the bullet screen; sharing offers, such as small coupons and seckilling, similar to traditional e-commerce marketing. In general, the content of most e-commerce live streaming is similar, and even many anchors will use similar words and sentences to describe and introduce products. The process is relatively simple and lacks innovation, so consumers may feel boring and lose interest easily. The homogeneous competition among platforms and anchors is very serious.

2.2 Live Streaming Effect Is Subject to Anchors

During the live streaming, the anchor is like a shopping guide, who needs to introduce products, answer questions, and enliven the atmosphere. The success of an e-commerce live streaming has much to do with the host. Currently, there are two types of anchors for e-commerce live streaming marketing: anchor celebrities and business staffs. Famous anchor has a large number of fans, can use their appeal to improve the purchase rate for the seller. However, the live streaming costs of anchor celebrities are high, and many of them are not professional marketing personnel [6]. They lack professional knowledge of live streaming products. Before the live streaming, it may be necessary for sellers and platforms to jointly plan, which further increases the cost of time and money, making it difficult for small and medium-sized sellers to afford. Merchant staffs are more familiar with the knowledge of product and marketing. But they usually lack live streaming experience and it is difficult to master the live streaming rhythm and active atmosphere [7]. In addition, the audience of unknown anchors has a low stickiness with the audience and has a limited role to draw traffic. There are many live streaming on various platforms. If products or content cannot quickly attract consumers, consumers will move to other live streaming rooms, and marketing effects are difficult to guarantee.

2.3 Many Goods Have Quality Problems

Commodities are the core of e-commerce live streaming. The ultimate purpose of e-commerce live streaming is to urge consumers to buy products of live streaming. Due to the difficulty for consumers to directly access the products, the quality of products has become the biggest problem in online shopping [8]. Although e-commerce live streaming can help consumers understand product more intuitively and meticulously, live streaming is only a marketing tool, which cannot completely remove the long-standing negative label of poor quality in online shopping. The income of many anchors are tied to the sales of live streaming. They over-promote when recommending products, exaggerate the quality and effect of the products, and beautify the products with shooting filters, lighting equipments. However, the product received by the customer do not conform to the samples recommended by the anchor, for example, the clothing may have color difference, coarse fabric and other problems. In the long run, consumers will feel distrust and resentment towards anchors, platforms, and e-commerce live streaming marketing.

2.4 Platforms Page Layout Issues and Technical Issues

Although e-commerce live streaming is more advanced than traditional marketing methods such as pictures, there are still many layout and technical obstacles. In terms of layout, the live logo of some e-commerce platforms is not obvious, which is difficult to attract users' attention. The classification of live streaming on some platforms is confusing, and platforms cannot accurately push live streaming according to user characteristics, which is difficult to arouse consumer interest. In

terms of technology, some live streaming are not clear and smooth enough, and there are still network jams, which affect the viewing experience of users. Although the product details can be seen more directly through live streaming, it is still far from the real shopping environment. The current height and depth of technology cannot meet the growing needs of users, which hinders the further development of live streaming marketing for e-commerce.

3. Optimization Countermeasures for E-commerce Live Streaming

3.1 Enrich the Content of E-commerce Live Streaming

In order for e-commerce live streaming to continue to flourish, platforms and sellers must should recognize that "Content first" and cannot just sell goods. In the process of e-commerce live streaming, there are three key points of "people", "goods" and "scene", which can be combined to plan some interesting and valuable content. In terms of "people", besides anchors, fans or other personnel can also be invited to participate in live streaming. For example, Li Jiaqi, a famous e-commerce anchor, often invites stars to participate in the live streaming, which earns enough fans' attention. In terms of "goods", in addition to the current common field of clothing and cosmetics, it can be expanded to different fields in combination with the sales scope of the platform. In terms of "scene", outdoor live streaming can be carried out in combination with product features. For example, it can be considered to streaming the process of food from raw materials to finished products in the production plant, which can attract users' interest and make users trust food safety. Before the live streaming, merchants and anchors must do a good job of data collection and content planning, so that the live streaming can be flexible and rich in content.

3.2 Improve the Professional Ability and Quality of the Anchor

A professional e-commerce anchor must be able to "understand both users and products", so as to link goods and consumers well. For e-commerce platforms, it is necessary to continuously export high-quality anchors and live streaming operation talents to the industry and merchants in a standardized way. Platforms should identify potential newcomers, provide them with professional training in marketing and products, and help them become bigger and stronger with standardized supporting services. Sellers should also pay attention to the packaging and publicity of their own anchors, improve the popularity of the anchors, so as to better attract traffic for the store.

3.3 Select High Quality Products

The users who watch the live streaming of e-commerce hope to know the desired commodities, so the quality and effect of commodities are the most concerned by the audience. E-commerce live streaming platforms should clearly formulate and publicize the quality standards of relevant live streaming products, so that businesses and anchors have a certain reference basis. The platform can mine a batch of high-quality merchants and commodities according to the data, and give them more platform traffic and display opportunities. For the products with poor quality in the live streaming, the merchants and the anchor can also be punished. For the anchor team, it is necessary to fully investigate and understand the brands and products contacted, so as to avoid damaging the interests of consumers for their own short-term interests [9]. Anchors should strengthen their sense of responsibility to live audience and avoid false publicity and exaggerated effects of commodities in the process of live streaming.

3.4 Optimize the Technology of E-commerce Live Streaming

"AR", "3D fitting room" and other technologies have an important impact on the development of e-commerce live streaming, which can effectively enhance consumers' sense of interaction and participation, and improve the shopping experience. E-commerce live streaming platforms should increase research and development investment to seize technological opportunities and advantages. At the same time, the platform should set up an obvious live streaming logo on the website and APP to improve the exposure rate, and use "User Profile" for accurate push marketing [10]. In addition,

sellers and anchors should increase investment in live streaming equipments, and try to make the live streaming smooth and clear, so as to improve the user's viewing experience.

4. Conclusion

Although the rise of e-commerce live streaming is not long, it has been welcomed by consumers and e-commerce enterprises and developed well. At present, e-commerce live streaming marketing has the advantages of high authenticity, strong interactivity and entertainment, but there are also some problems in quality of products, technology, content, and professionalism of anchors. Platforms and sellers pay attention to and optimize these issues in order for e-commerce live streaming marketing to become more mature and complete.

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