

Research on Product Pricing in Online Marketing under the Background of Live E-commerce

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Abstract: With the vigorous development of information technology, internet technology, and new media, China's marketing model has breathed new vitality. Live streaming e-commerce, as a new trend in the e-commerce market, is increasingly receiving people's attention. Live streaming e-commerce has refreshed consumers' shopping patterns and can easily trigger impulsive purchasing behavior. As a new online marketing model, live broadcast e-commerce can effectively expand product Marketing channel, promote consumption transformation and upgrading, and make up for the shortcomings of traditional marketing models. With the rise of the new marketing model of "live streaming+e-commerce", more and more manufacturers and merchants recognize the advantages of this marketing model and choose this method for marketing, which can bring huge economic profits. In the process of enterprise online marketing, price strategy is a key link in the enterprise's online marketing strategy. The added value of products in various value chains is ultimately realized at price. How to establish appropriate prices for products has become a significant decision with practical significance faced by various enterprise operators. This article is based on the background of live streaming e-commerce and studies the pricing problem of products in online marketing.

1. Introduction

With the rapid development of internet technology in China, e-commerce based on network platforms has emerged and has been widely developed in China [1]. More and more e-commerce live streaming platforms are constantly emerging, and the trend of e-commerce live streaming is constantly surging. Many e-commerce platforms have joined the team of live streaming e-commerce. E-commerce is a brand new shopping experience that subverts traditional business models, changing people's way of life and shopping [2]. The emergence of e-commerce has affected the way and environment of enterprises in the market competition. More and more enterprises have joined the network marketing competition. Compared with the production under the traditional mode, this mode has greater attraction for enterprises, but the nearly transparent enterprise production process, product information, etc. will also have a certain impact on enterprises [3].

In the e-commerce supply chain, there are various sales channels, including online retail, manufacturer direct sales, brand self operation, etc., and e-commerce live streaming is also a sales model in the e-commerce supply chain [4]. The essence of the rise of live streaming e-commerce is small profits but quick sales. By offering discounts on products to bring benefits to anchor fans, the prices of products will be lower than those on other platforms, and the quality of products can also be guaranteed. Compared to traditional e-commerce, live streaming e-commerce utilizes streaming media technology to provide consumers with richer media content such as audio and video. Compared to the online distribution and consignment channels of e-commerce platforms, live streaming e-commerce channels open up communication and interaction channels between consumers and manufacturers, and the online display and Q&A of anchors also enable consumers to have a more direct and in-depth understanding of products; Compared to traditional retail channels, live streaming e-commerce channels have advantages such as convenience, speed, low price, novelty, and fun, attracting more and more consumers to flock to live streaming rooms for

consumption [5]. In recent years, with the further improvement of the quality and living standards of the Chinese people, consumption concepts have also been gradually upgraded. Green and healthy agricultural products should have achieved leapfrog development, especially some agricultural products with high-quality brand guarantees [6]. There are two common forms of live broadcast. One is the live streaming and sales of internet celebrity anchors. In order to quickly promote their products to the market, e-commerce enterprises often hire well-known internet celebrity anchors to live stream and sell their products, using their huge traffic pool to quickly promote their products or create blockbusters. Due to the rapid development of live streaming sales, there is a scarcity of anchors with strong sales capabilities. Live streaming e-commerce platforms will consider signing contracts with anchors, and will also pay for signing fees and marketing efforts. The second is self broadcasting by merchants. Although live streaming and sales by internet celebrity anchors can have a rapid marketing promotion effect, merchants need to pay high service fees such as product listing and commission, greatly compressing the unit profit space of enterprises [7].

Under the premise that consumers are increasingly concerned about product quality and constrained by live streaming e-commerce policies, how manufacturers make pricing decisions and live streaming strategy choices in two modes: store self broadcasting and commissioned anchor with goods, and how to improve the product quality level in the live streaming e-commerce supply chain system are all urgent issues that need to be solved in live streaming e-commerce supply chain decision-making [8]. Therefore, it is necessary to be able to price products reasonably to achieve customer satisfaction while also obtaining corresponding economic benefits.

2. The Advantages and Problems of Live Streaming E-commerce

2.1. Advantages

In the context of today's "Internet plus" industry, webcast has achieved cross-border cooperation with multiple industries, and has driven the development of entertainment industry and e-commerce industry by virtue of its advantages of intuition, interaction and real-time [9]. As the most attractive new media resource at present, online live streaming is highly favored by consumers due to its powerful content expression and interactivity. Taking agricultural product sales as an example, many farmers and internet celebrities have also appeared on major live streaming platforms to directly promote agricultural products to consumers through live streaming, and have achieved good results. The traditional sales of agricultural products have long been a multi-level channel (as shown in Figure 1) consisting of "farmers → acquisition of production areas → distribution in the production market → distribution in the sales market → retail → consumers", with multiple links and high costs. Live e-commerce, as a new shopping experience, allows consumers to understand product performance through interaction with anchors, receive shopping discounts, and meet situational consumption needs. Through professional training courses, cultivate more farmer anchors, help them cultivate and highlight their own characteristics, drive agricultural product sales through "live streaming+e-commerce", and ultimately assist in agricultural poverty alleviation. It can be foreseen that with the rise of the "live streaming+e-commerce" trend, the form of "agricultural products+live streaming" will provide new ideas and paths for agricultural product sales and brand building.

Live streaming e-commerce continues the traditional e-commerce model advantages of the brand, while building momentum with "better prices". The promotional discounts offered through live streaming can stimulate consumers' impulsive shopping. At the same time, for many businesses, the combination discount is the best choice to obtain Profit maximization under the condition of partial yield of profits. Under the combination package discount, reduce the price of unsalable products, increase the price of best-selling products, form a "confusing" discount, increase the sales of inventory goods, and increase the product promotion effect.

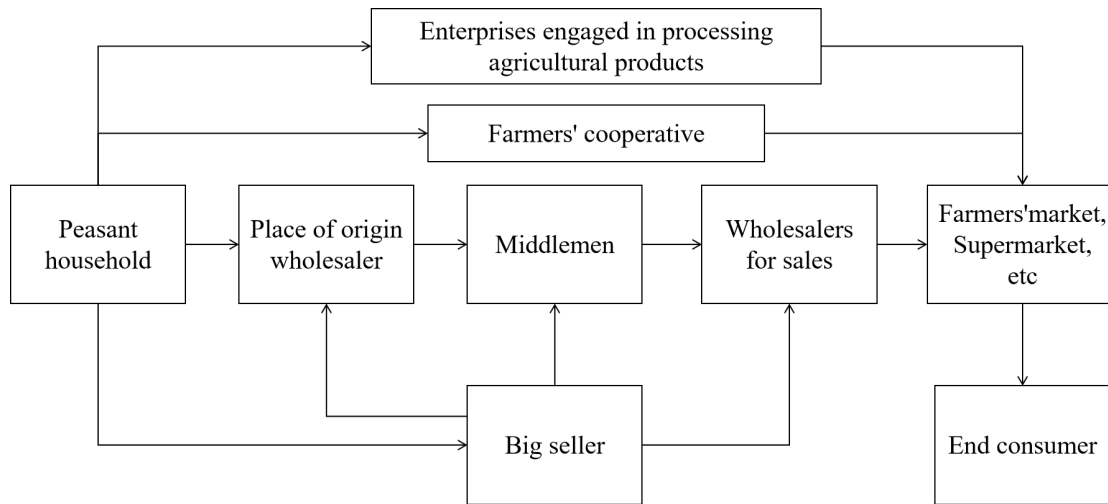


Figure 1 Traditional circulation mode of agricultural products

2.2. Problems

As the segmentation field of interests, e-commerce live broadcast has attracted the influx of all forces. The competition of businesses has gradually highlighted the foam problem, which has to attract our attention. The emergence of live streaming platforms makes product displays more vivid and reduces transaction costs for manufacturers and consumers, but it also increases the factors that manufacturers need to consider when pricing their products [10]. At present, the basic logic of business competition is price war. For consumers of the same type of consumer goods, the most intuitive way to choose is to compare prices. And different platforms have their own characteristics and bring different benefits, as shown in Table 1.

Table 1 Characteristics of each live streaming platform

Platform type	Representative	Characteristic
E-commerce platform	TaoBao	1.Large number of viewers
	Pinduoduo	2.Good live streaming effect
	JD	3.Perfect logistics supply chain support
Live streaming platform	Tiktok	1.Large number of viewers
	Kwai	2.Celebrity effect
	YY	3.Specialization

In Online shopping, the problems dominated by product delivery, quality control and harvest have become the main constraints to the development of live broadcast e-commerce. In the absence of understanding of the professional performance of the product, the streamer's traffic based promotion is not a respectful behavior towards consumers, therefore, the professionalism of the streamer still needs to be improved. Due to the continuous increase in residents' income, product quality has gradually become the primary consideration for consumers when purchasing products, and consumers have gradually shifted from being "price sensitive" to "quality sensitive". Affected by algorithmic push, product push content tends to become homogeneous, consuming audience patience and hindering the sustainability of the live streaming ecosystem. The sensitivity of consumers to product quality will directly affect manufacturers' pricing decisions for products. Consumers' preference for high-quality products will lead manufacturers to choose to produce high-quality products to meet consumer needs and increase sales.

3. Product Pricing Strategies in Online Marketing

3.1. Network Dynamic Pricing Method

For products, achieving dynamic pricing in future development is an inevitable trend. Dynamic pricing refers to the application of information technology in online marketing, where enterprises

provide corresponding prices based on the supply of products. This method has certain advantages in application. In the live streaming e-commerce platform's product quality inspection level will increase with the increase of the proportion charged by the anchor to the manufacturer in the live streaming sales mode. The manufacturer's product quality control level and product sales price will first decrease and then increase. Enterprises can timely understand customer needs through online dynamic pricing, avoiding unreasonable pricing due to insufficient understanding of customer needs. When the market lowers prices, some companies adopt reverse thinking and do not follow the price reduction. When the market increases prices, companies also adopt reverse thinking and do not follow the price increase, which can make customers feel the value of the product and attract consumers. The use of network dynamic pricing method can increase the difficulty for competitive enterprises to judge prices, making it difficult to implement price wars.

3.2. Bundling with Branded Products

Many consumers are more willing to choose branded products, so enterprises need to create corresponding brands from them. If the enterprise does not already have its own brand, it can introduce other brand products accordingly. For merchants, in the fierce market competition mode, there are many substitutes for a product, and it is difficult to upgrade and create a clear brand positioning and brand image in the live broadcast room of the cooperating internet celebrity anchors. As consumers pay more attention to product quality, it indicates that they are more inclined towards high-quality products and have a stronger willingness to pay for them. Strictly controlling product quality is an inevitable choice for online marketing. Quality is the first prerequisite for ensuring sales. In order to improve the effectiveness of product live streaming marketing, it is necessary to focus on improving product quality, attracting traffic with quality, converting traffic into sales, and enhancing brand awareness to achieve economic benefits. Manufacturers and live streaming e-commerce platforms should actively expand and deepen cooperation, jointly strictly control product quality, maintain consumer satisfaction with product quality, refine product quality control, reduce product quality control costs, and promote the sustainable and high-quality development of live streaming e-commerce platforms and manufacturers. Using this method can not only effectively promote the brand of the enterprise, but also expand the market, provide consumers with high-quality product information, and then consumers can purchase more confidently, stimulating their purchasing power.

4. Conclusions

In online marketing, enterprises enter to occupy a certain share and promote their own development. Therefore, in terms of product pricing, it is necessary to correspond to the actual situation. With the arrival of the "Internet plus" era, consumers have increasingly high requirements for personalization, humanization, customization, entertainment, etc. The traditional marketing model has exposed a series of limitations, such as asymmetric supply and demand information, high circulation costs, small production entities, and decentralized transactions, which have seriously affected the marketing effect of products. E-commerce live streaming, as a new sales model, has a significant driving effect on the consumer market. At the same time, it provides a way for private enterprises in difficult circumstances to explore their individual economy. Whether in the store self broadcast mode or the anchor with goods mode, as the consumer sensitivity coefficient increases, the product quality control level, product sales prices, and profits of manufacturers and live streaming e-commerce platforms will also increase. Merchants who want to improve the effectiveness of "live streaming+e-commerce" marketing on the original basis, increase product sales, and increase marketing performance need to choose high-quality marketing talents, actively follow the rules for live streaming marketing, improve the understanding of the product by the host, plan the live streaming content reasonably, and set appropriate prices to ensure marketing effectiveness. Both merchants and internet celebrity hosts should make efforts to promote live streaming marketing, in order to achieve an increase in the pricing of the two live streaming channels.

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