

Research on the Emergence, Development and Value of Livestreaming Economy

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Abstract

In recent years, the livestreaming economy has a huge market potential so that it has been one of the major trends in the development of the global digital economy. This article starts from four aspects that there are characteristics, background, development status and value respectively and focuses on the further analysis of the economic, social and commercial values of the livestreaming economy by studying the development process of the livestreaming industry.

Keywords

Livestreaming Economy; Value Research; Developing Course; E-commerce; Concept of Consumption.

1. Introduction

“Livestreaming economy” is a new economic model in the era of big data. In the context of the development of the digital economy, it belongs to the Internet economy to a certain extent. Moreover, the livestreaming economy is mainly by opening live room on major Internet platforms, and livestreaming host, company marketers or invited celebrities use live broadcasts to display products online, offer consultation services, and sell products. It is a effective way to stimulate consumers' desire to purchase, activate the target consumer market, and promote consumption upgrades.

2. The Concept and Characteristics of the Livestreaming Economy

2.1. Related Concepts of the Livestreaming Economy

The Livestreaming economy relies on the Internet, based on all kinds of platforms, and establishes a connection with the social economy in all fields, so as to carry out in-depth integration. It is mainly based on mobile terminals, covering e-commerce, education, finance and other fields that can generate economic benefits, and the professional characteristics and industry characteristics are obvious.

2.2. Characteristics of the Livestreaming Economy

2.2.1. Professional Characteristics

The barriers to entry for live streaming industry are low. At present, there is no clear and strict measurement standard for the anchor group engaged in the live broadcast industry, so it is basically in an open state that everyone can start their live time when the relative hardware equipment and self-preparation are been done.

The live streaming industry faces many problems. Due to the rise of the live streaming industry and a spurt of development in recent years, it has gradually exposed a series of imperfect supply

chain system problems, such as product after-sales problems, selling of counterfeit and inferior products etc., which has left the live streaming industry in chaos. Besides, there is a lack of relevant operational rules and laws and regulations for the hidden dangers that it generates. Until 2020, a series of industry regulations have been issued to jointly supervise the live streaming market. Finally, the corresponding supervision and management and legal responsibilities are clarified.

2.2.2. Industry Characteristics

The livestreaming method enhances interactivity. When consumers consume by watching livestreaming, they can interact and communicate in real time with the network anchor on the related topics of the products, breaking the traditional one-way communication and turning to multi-directional interactive propagation, which has not only the information output of the disseminator, but also the receiver's information feedback [1]. Therefore, it enhances the interactivity of the webcast.

There are diverse variety of the livestreaming methods. In order to meet the needs of different users, the livestreaming is based on the pattern of "Live +" and presents a diversified development tendency. "Live + shopping" means the combination of livestreaming and e-commerce to provide consumers with a new shopping model; "live + education" means the combination of livestreaming and the education industry to provide convenient teaching methods for teachers and students; "live + short video", that is the combination of livestreaming and short video, provides users with rich forms of entertainment. Furthermore, the platform reduces traffic loss to a certain extent and improves the ecological construction of video contents.

The livestreaming method breaks the boundaries of time and space. Consumers can watch the livestreaming through the mobile terminal and enter the live room for shopping at any time. What's more, it is not only win a large number of consumers from different places for the brand, but also broaden the business market.

3. The Background of the Live Stream Economy

3.1. Innovation of Digital Technology

The live stream economy is a new marketing method of Internet plus, and technology is the direct driving force for its development. The improvement of mobile Internet, cloud computing, 5G, CDN and other technologies has provided clear and high-quality picture quality, multiple functions and special effects, stable network conditions for live stream, which has contributed to the unlimited possibilities of live stream economy. The continuous updating of hardware devices, such as computers, smart phones, and Wi-Fi, has become a "booster" for the development of live stream economy. Driven by digital technology, live stream economy has ushered in explosive growth opportunities.

Another reason why the live stream economy can suddenly emerge in the Internet digital industry is the lowering of the technical threshold. For anchors, as long as they have mobile devices such as mobile phones or computers, they can do live stream anytime and anywhere. The anchor is no longer confined to the elite or specific groups, but to the general public. Secondly, for users, in the era of live stream economy, anchors and users are no longer fixed roles, and the relationship between the two parties may change at any time. The breaking of technical barriers provides a platform for everyone to speak out, realizing the popularization of live stream, and entering the time of "everyone has a microphone".

3.2. The Transformation of Media Platforms

The increase of MCN institutions and the advent of the short video era are the social environment for the live stream economy. The development of the traditional live video has

entered a bottleneck period. Long time-consuming, simple content, and strict control restrict the transformation of traditional live stream. At this time, the emergence of short videos quickly occupied the market of live stream and attracted the attention of a large number of users.

The poor sales effects of traditional e-commerce and the intensified competition of e-commerce platforms have caused many e-commerce companies to begin to seek new sales models. This shows that just finishing the pictures and texts of the products can no longer fully meet the needs of consumers. Consumers need more dynamic, intuitive, and detailed display for product. These are the realistic conditions for the emergence and development of the “live-stream shopping” model. Since then, the “live-stream shopping” model has not only been widely used in the field of e-commerce, but has also moved into various fields such as education, medicine, and games, which has been pursued by countless consumers.

3.3. Changes in User Consumption Views

The changes in user consumption views are mainly reflected in two aspects, on the one hand is shopping experience, on the other hand is consumer psychology.

In the traditional shopping model, users mainly rely on objective product descriptions such as text and pictures to make purchases. But in the live stream economy, people’s subjective feelings are more concerned. Especially in the field of live streaming sales, the quality of the product itself does not seem to be the first factor that users pay attention to, but the personal emotional inclinations and trust in the anchor have become the key factors affecting product sales. Invisibly, the anchor has become the KOL (key opinion leader) in the relevant consumer group. Relying on their own characteristics and abilities, the anchor has a huge influence and guiding in the purchase behavior of users. Sometimes users will even purchase products that are not needed by the anchor because of the recommendation of the anchor, thereby contributing to the increase in sales.

There have been two extreme changes in consumer psychology. One is that people’s purchase of commodities is no longer purely pursuing its physical meaning, but more to purchase the symbols and cultural meanings contained in the commodity. Just as Baudrillard said in “Consumer Society”, people express their personality, taste, life style, social status and social identity through the consumption of commodities. In the process of “symbolic consumption”, consumers not only consume the products themselves, but also consume the meanings that these products symbolize and represent. Another kind of consumer psychology is to follow the so-called “cheap” and “discount” publicity gimmicks too much, and instead purchase unnecessary goods and increase the cost. Many anchors or platforms will use “lowest price”, “limited 100 copies”, cash back and other methods for hunger marketing, creating a tense atmosphere. Users are affected by various marketing activities and often would spend more money to get discounts.

3.4. Support of Government Policies

On February 25, 2020, the Ministry of Commerce issued the “Notice on Further Doing a Good Job in the Production and Sale of Agricultural Products During the Period of Epidemic Prevention and Control”, encouraging e-commerce companies to provide traffic support through various channels such as poverty alleviation channels, special areas, and live stream shopping, Opening the green channel for farmers to settle in, and expanding the sales channels of unsalable agricultural products. The introduction of such policies shows that during the epidemic period, the rise of the online economy took the lead in breaking the economic downturn, bringing new channels for industrial rejuvenation, and also becoming a key breakthrough for the recovery of the national economy.

It was pointed out in the “Government Work Report” on May 22, 2020 that it is necessary to develop the industrial Internet and promote intelligent manufacturing. New business formats

such as e-commerce, online shopping and online services have played an important role in the fight against the epidemic. We must continue to introduce supporting policies, comprehensively promote "Internet plus", and creating new advantages in the digital economy. This indicates that the online digital economy may become the normal life of the general public. Various "cloud activity" have not only become a new engine for economic development, but also bring a new look to social life.

3.5. Rapid Realization of Traffic

Behind the live stream economy is the boost of traffic. With the professionalization of the live stream economy, there are more and more diversified ways to monetize traffic [2]. In traditional live video, rewards are its main source of income. The rise of the live stream economy has brought more models of traffic realization, and commercial advertising has increasingly become the main mode of the live stream economy realization. At the same time, personal branding and IP (intellectual property) are also known as the main trends in traffic realization, and the live stream economy will gain more benefits through cooperation with other fields.

4. The Development of the Live Stream Economy

4.1. The Time Node of the Live Stream Economy

The development of the live stream industry has undergone many explorations and practices. The live broadcast industry originated in the video dating community in 2005. Since then, more and more online dating communities have appeared, and the video live model has gradually taken shape. In 2008, the game "World of Warcraft" first launched the voice software YY. Soon after, YY live stream was also launched, and live stream on electronic sports gradually emerged[3]. In 2016, Taobao Live started trial operation. Taobao's huge user base has laid the foundation for the popularity of live stream. Live stream device has also developed from the PC (personal computer) to the mobile phone. The goal of live stream is no longer just for entertainment and social networking, but consumer live stream are budding. 2019 is known as the first year of live e-commerce, and live e-commerce has experienced explosive growth. The content of live stream has penetrated into various fields such as e-commerce, sports, finance, education, social networking, and music. Traffic, anchors, and capital began to converge on top platforms, and some top anchors stood out. For example, Li Jiaqi sold 15,000 lipsticks in 5 minutes on live stream, and Weiya's live stream sales exceeded 267 million yuan in 2 hours. The outbreak of the epidemic in 2020 has hindered the offline economy, and live stream sales have soared, accelerating the upgrade and transformation of the live stream economy.

4.2. The Development Model of the Live Stream Economy

With the blowout development of the live stream economy, the live stream mode is constantly being renovated. The following will introduce the two main live stream modes.

E-commerce live stream mode: E-commerce live stream mode has obvious marketing meaning, and its main method is live stream shopping. Whether it is inviting celebrities or celebrities as co-hosts or merchants' own anchors, the goal is all to arouse consumer interest and stimulate consumption. Taobao is undoubtedly the forerunner of e-commerce live stream. Taobao live stream is not only to allow consumers to proactively shop, but also to guide consumers to purchase unanticipated products, and ultimately make transactions. E-commerce live stream has become the largest form of live stream mode. In 2020, there will be 265 million live stream users. Various e-commerce platforms have added live stream functions. E-commerce live stream has become the new normal for mass shopping, and conversion rate on e-commerce platforms has greatly increased. The effect of e-commerce live stream is evident.

Internet celebrity live stream mode: the online celebrity live stream mode refers to people with certain influence in a certain field or a certain circle use media platforms to attract user attention with their content, thereby achieving traffic Realization. The purpose of this type of live stream mode is not to shop, but to create a relax live stream environment, gaining users' favor and support with professional content.

5. The Value of the Live Streaming Economy

5.1. The Economic Value of the Livestreaming Economy

The livestreaming economy has obvious development advantages, broad development space, and optimistic prospects in the future economic market. From the perspective of demand, the livestreaming economy has made a great contribution to stimulating consumption and releasing economic dynamism. Under this model, it uses an innovative marketing model, namely multi-directional interactive propagation, to stimulate consumers' desire for consumption, thereby releasing economic dynamism. From the perspective of supply, the livestreaming economy can not only optimize the production structure but also benefit optimization E-commerce structure and innovate sales and service forms. Production determines consumption, and consumption has a reverse effect on production, thus becoming the driving force for economic development. The information sharing generated in the livestreaming economy enables businesses to position the market more accurately, which in turn stimulates more enterprises to invest in production[4]. To a certain extent, it lowers the barriers to entry of the industry and helps to adjust and upgrade products continuously, that is, consumption also stimulates production. At the same time, it will empower the industry and enterprises, optimize the structure of e-commerce, and innovate sales and service forms, which will become an important driving force for the continuous promotion of industrial upgrading and iteration to promote the sustainable economic growth of China's economy.

5.2. The Social Value of the Livestreaming Economy

From the perspective of social benefits, the livestreaming economy is conducive to targeted poverty alleviation, boosting rural economic development and rural revitalization. Through the methods of bringing goods by celebrities, fashion influencers, county magistrate or mayor open the market for local agricultural and sideline products with the model of "live + consumer poverty alleviation" to increase the visibility of agricultural products and the awareness of public's understanding of the products. It has virtually enriched the added value of agricultural products, allowing more farmers to arrived to road of wealth.

5.3. The Commercial Value of the Livestreaming Economy

The livestreaming economy stimulates domestic demand, boosts consumption, and helps push forward a "dual circulation" development pattern in domestic and foreign markets. In 2020, China proposes to establish a "dual circulation" development pattern, in which domestic and foreign markets can boost each other, with the domestic market as the mainstay. However, the real industry economy has fallen into a downturn affected by the epidemic. In the current grim situation, the new consumption model of livestreaming is developing rapidly, effectively stimulating domestic demand and promoting internal circulation. The livestreaming basically contains all product categories, which makes products universally available, and it satisfies the consumer demand of the public and fully stimulates the consumption potential.

In addition, the livestreaming economy also provides more opportunities for domestic enterprises to participate in the international economic cycle, coordinates the domestic and international economic cycles, integrates the domestic economic cycle and the international economic cycle, and creates a new pattern in which domestic and foreign markets can boost each other, with the domestic market as the mainstay.

6. Conclusion

The rise of the live streaming economy is closely related to the rapid development of the Internet, the promotion of commercial capital, and the support of national policies. It is presented in the form of “live+” under the background of the development of the digital economy. It has brought unprecedented development trends to it, injecting new impetus into the development of the economy, and promoting the sustainable economic growth of China’s economy.

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