

The Impact of E-commerce Live Streaming on Consumer Decision-Making: A Case Study of Taobao

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Abstract:

This study examines the impact of e-commerce live streaming on consumer decision-making, focusing on the role of head anchors, represented by Taobao anchor Li Jiaqi. Driven by external factors such as technological innovation, market competition, and epidemics, live e-commerce broadcasting has rapidly risen and changed traditional shopping. This study first describes the technological basis of e-commerce live streaming, including the support of real-time interaction and personalized recommendation by 5G network and artificial intelligence. Subsequently, it analyzes how consumer engagement, interactivity, and anchor influence in e-commerce live streaming affect consumer behavior in the stages of awareness, consideration, purchase decision, and experience. Taking Li Jiaqi as an example, the role of anchors in enhancing users' trust, accelerating purchase decisions, and fostering consumer loyalty is investigated. This study summarizes the future trends of e-commerce live streaming, including the impact of multi-platform layout and improved content quality on the industry ecology.

Keywords: E-commerce live streaming; Consumer decision-making process; Influencer impact; Interactivity and engagement

1. Introduction

In recent years, e-commerce live streaming has fundamentally transformed consumers' purchasing decisions [1]. This emerging trend has not only reshaped traditional consumer behavior but also redefined the dynamics of online shopping [2]. Among the various platforms, Taobao's e-commerce live streaming stands out, with influencers like Li Jiaqi playing a pivotal role in influencing consumer choices.

E-commerce live streaming has introduced a more interactive, engaging, and immediate shopping experience. Consumers are no longer passive recipients of advertising; they actively participate in the purchasing process through real-time interactions, personalized recommendations, and product demonstrations by live streamers [3]. This heightened level of consumer engagement has significantly impacted how products are marketed, evaluated, and ultimately purchased.

Given the impact of e-commerce live streaming on consumer behavior, it is essential to delve into the specific factors driving these changes. Influencers like Li Jiaqi on Taobao are not merely showcasing products but actively shaping how consumers perceive and evaluate them. The combination of real-time interaction, personalized recom-

mendations, and direct product demonstrations creates a unique decision-making environment that merits closer examination. Understanding how these elements interact within the context of e-commerce live streaming can offer valuable insights into consumer behavior and guide the future of online retail.

2. How Live E-commerce Emerging

2.1 Technological Innovation

E-commerce is also known as live commerce (L-commerce). E-commerce live streaming was born in the context of technological innovation and advancement. With the rapid development of the Internet and mobile technology, the popularity of smartphones, and the wide coverage of high-bandwidth networks, consumers have significantly changed how they access information and shop [4]. Information technology has greatly changed people's way of life, and people no longer limit their shopping to offline and regionally restricted shopping but can collect their preferred goods across the country through the Internet. With the help of convenient transport networks, goods arrive at consumers' doorsteps within two or three days. With the popularity of Internet technology, mobile devices, and the launch of 5G networks, live e-commerce

has gained unprecedented development opportunities [5]. Specifically, e-commerce live broadcasting realizes the two-way experience of “real-time interaction + shopping” with the help of high-speed Internet and powerful mobile terminal devices. This technological innovation shortened the distance between consumers and merchants, and users can make shopping decisions directly through interactive questions and instant feedback in the live broadcast process, enhancing the immediacy of the consumer experience and the sense of participation.

The gradual maturity of 5G technology further improves the quality and stability of video streaming, making real-time interaction possible and providing technical support for live e-commerce. At the same time, applying big data and artificial intelligence enables merchants to more accurately grasp the needs of consumers and optimize product recommendations and marketing strategies. Technological innovation has paved the way for e-commerce live broadcasting, driving the rapid rise of this emerging consumer model.

2.2 Business Competition

The rise of live e-commerce not only stems from technological advances but is also a strategic choice for enterprises to actively expand online channels to cope with fierce market competition and a rapidly changing consumer environment. With the gradual shift in consumer behavior towards online shopping, the traditional offline sales model gradually shows limitations in flexibility and coverage, especially in accelerated digitalization and globalization; companies are prone to lose market share if they stick to the traditional brick-and-mortar sales model. Therefore, enterprises have to innovate sales methods, turning their attention to e-commerce platforms and social media with the help of e-commerce live broadcasting, a dynamic approach, and a new marketing tool to maintain competitiveness [6].

E-commerce live broadcast through the combination of “live broadcast + e-commerce”, breaking the physical space limitations of the traditional brick-and-mortar shops, enterprises can not only reach more geographical consumers, but also through real-time interaction to enhance the sense of customer engagement, thereby deepening the relationship between brands and consumers. This approach is more intuitive and transparent than traditional offline sales. Consumers can understand the product features more comprehensively through the anchor’s introduction and display during the live broadcast, and even raise questions and get answers promptly through interaction, thus shortening the purchase decision cycle.

In addition, the low-cost and high-conversion rate advantage of live e-commerce has also attracted many

enterprises to invest in it. Compared with traditional advertising and brick-and-mortar operations, e-commerce live broadcasts like S-commerce on SNS can reach a wide audience at a lower cost and improve advertising effectiveness through accurate user data analysis [6]. This sales model caters to modern consumers’ needs for shopping experience and helps companies win more initiative in the competition. Therefore, the rise of live e-commerce broadcasting is also an active innovation for enterprises to adapt to new consumer trends and break the traditional sales model under market competition pressure.

2.3 Epidemic Stimulation

Consumer demand for non-face-to-face (NFTF) commerce climbed rapidly due to the New Crown outbreak, driving widespread adoption of contactless shopping, online services, and digital transactions [6]. E-commerce livestreaming grew and gained unprecedented popularity during the outbreak and became an important means for businesses and consumers to cope with the restrictions on offline activities.

After the outbreak of the epidemic, countries adopted strict social quarantine and blockade measures, and traditional offline shops and brick-and-mortar shops suffered a huge impact, shifting the way consumers shopped. Faced with this sudden predicament, companies had to look for new sales channels, and live e-commerce broadcasting quickly became an important way for companies to maintain their operations thanks to its convenience, real-time interaction, and immersive experience.

During the epidemic, consumers “home time increased dramatically, and online shopping demand surged, while e-commerce live streaming not only met consumers’ shopping needs during the blockade but also improved the fun and engagement of shopping through interactivity and entertainment. Consumers can interact with the anchor in real-time through the live streaming platform to get detailed information about the product while watching the dynamic display of the goods, and this interactive shopping experience makes up for the sense of expertise that offline shopping cannot achieve [7]. In addition, e-commerce live streaming provides a relatively low-cost online marketing channel for SMEs, enabling them to maintain sales, expand online market share, and stay in touch with consumers during the pandemic.

The epidemic has also pushed e-commerce platforms and brands to invest more in live-streaming, making this new sales method popular across various industries. Both luxury brands, FMCG, and traditional retailers have leveraged live streaming for marketing campaigns to counter the shrinking of offline sales. Therefore, the rapid expansion of e-commerce live streaming during the pandemic result-

ed from changing consumer habits and a strategic choice for companies to maintain their competitiveness through digital transformation at a special time. This model still shows strong vitality in the consumer market after the epidemic.

3. Why Live E-commerce Attracts Consumers

3.1 Consumer Engagement

Engagement can stimulate interest and facilitate decision-making in the consumption process. It allows consumers to feel connected to the product and the brand, which increases willingness to buy and shortens decision-making time [8].

Purchase conversion rate is a key metric that e-commerce platforms and merchants focus on. It indicates how many consumers purchase after seeing a product or engaging with an activity. It directly reflects the effectiveness of marketing campaigns and how efficiently consumers move from interest to action [9]. Increasing the purchase conversion rate means merchants can more effectively convert potential customers into actual customers and increase sales. Increasing sales cannot be achieved without increasing consumer engagement in purchasing decisions. Interactivity in live e-commerce is a key factor in increasing engagement. Consumers can communicate directly with the anchor through the comment section, ask questions, or make comments, and the anchor will respond promptly. This real-time interaction makes consumers feel they are an important part of the shopping process rather than passive bystanders.

The real-time and live nature of e-commerce live streaming also enhances consumer engagement. Through live streaming, consumers can visualize the effects and details of product usage and even simulate actual usage in specific scenarios. This type of presentation is more persuasive than traditional pictures or text descriptions, helping consumers better understand the product and thus boosting their buying confidence.

Personalized recommendations and offers further enhance consumer engagement. The anchor will adjust the product display and recommendation content in real time according to viewers' interests and needs and will also provide exclusive solutions based on individual needs. For example, viewers may ask for cosmetics suitable for their skin type or fitness equipment recommendations for their physical condition. The anchor's professional answers make consumers feel they are getting a customized service experience, making them more willing to participate in the live broadcast.

3.2 Celebrity Effect

Live streaming commerce enables celebrities (also known as influencers, anchors, or hosts) to sell products and services through live online videos, with the anchor usually being the central player in the overall live-streaming event. For most, anchors with more impressive or attractive appearances tend to be more successful. Studies have shown a positive correlation between appearance attractiveness and happiness and self-esteem, especially for women, and that more attractive anchors tend to be more confident and more willing to present themselves in public. These celebrities act as opinion leaders for the public, drawing consumer attention to brands and goods. In comparison with celebrities, consumers are prone to lower their self-esteem and go for purchase decisions [7].

In recent years, more and more actors and singers have gradually stopped plowing deeply into their work, turning to the new track of e-commerce live anchor. More commonly seen in Shake Shack live broadcasts are Lou Yixiao, who played Hu Yifei in Love Apartment, and Li Jinming, who played Chen Meijia, whose viewers and fans of their past works will visit the live broadcasting room because of their role as anchors, which will in turn increase the awareness of the brand and the purchase rate of the goods.

3.3 The Consumer Decision Journey

In the McKinsey Quarterly report published in June 2009, it was mentioned that the consumer decision-making process can be divided into four main stages: the awareness stage, the consideration stage, the purchase decision stage, and the experience stage, and enters into a loyalty cycle after the purchase. Consumers perceive a need or problem in the awareness stage and seek a solution. External factors such as advertising, word of mouth, and social media often influence this stage. Then comes the consideration stage, where consumers explore and filter by researching and comparing different products or services and evaluating available options. This is followed by the Purchase Decision stage, where consumers make a final purchase decision, a process influenced by price, reviews, and convenience. After purchase, consumers enter the experience phase, using the purchased product or service and forming an evaluation of it. If the experience is good, it may lead to repeat purchases and loyalty. Conversely, a bad experience may lead them not to choose the product or brand again. Finally, satisfied consumers enter the loyalty cycle and are likely to repurchase and recommend it to others, thus further cementing the brand-consumer relationship. McKinsey points out that the process is not linear, and consumers may move repeatedly through different stages, especially between consideration and purchase decisions.

Brands need to provide support at each stage to help consumers move smoothly through the decision-making process.

In the awareness stage, live e-commerce broadcasts help consumers discover needs they may not have realized by instantly showcasing products. Through vivid narration, scenario-based displays, and explanations of product features, benefits, and usage scenarios, anchors can quickly spark consumers' interest and capture their attention. This dynamic and interactive approach is far more attractive than traditional advertising or static product displays and can stimulate consumers' awareness of their needs more quickly.

After entering the consideration stage, consumers will evaluate the product's cost-effectiveness, quality, and applicability. E-commerce live streaming helps consumers better understand products in this segment by detailing product features, showing real-time usage effects, and making product comparisons from multiple angles. Anchors usually alleviate consumers "concerns by demonstrating and answering viewers" questions, thus shortening the consumer evaluation process. In addition, the anchor's personal recommendations and trial results demonstrations greatly increase the product's credibility.

Incentives such as limited-time offers, discounts, and spike campaigns, unique to live broadcasts, significantly drive consumers' purchasing decisions. By emphasizing the sense of urgency, such as "limited quantity" and "limited time", anchors can create a sense of urgency to buy, forcing viewers to make a quick purchase decision. In addition, the interactive nature of live broadcasts, such as answering questions and encouraging consumers to "order as a gift", also provides additional incentives to buy.

While live streaming primarily focuses on making purchases, it can also influence the consumer experience. By interacting with consumers, e-commerce platforms or anchors can promise to provide quality after-sales service during live broadcasts, reducing consumers' concerns about product quality or post-purchase service. Such promises can help boost consumers' confidence in purchasing, especially regarding high-value goods.

If consumers are satisfied with their products and services, they will likely make repeat purchases and recommend them to others. Live e-commerce offers a way to cement consumer loyalty further. By maintaining long-term interactions with consumers and regularly launching new products or exclusive offers, live-streaming platforms and anchors can create an emotional connection, prompting consumers to trust the anchor or brand and thus enter the loyalty cycle.

Broken down, live e-commerce is about diving into the journey of consumers making decisions and injecting

accelerants into each stage. As the anchor counts down, countless consumers quickly subconsciously make consumer decisions and complete purchases, making live e-commerce profitable.

4. The Influence of Influencers on Consumer Behavior

From the beginning of 2019, many anchors, led by Li Jiaqi, who became popular by live streaming with goods, entered the public eye. Li Jiaqi comes from a cosmetic sales background, with professional sales experience and marketing theory. At the same time, he has a good understanding of the cosmetic knowledge required by women. These characteristics can be carefully seen in his live broadcasting room.

First of all, Li Jiaqi's live broadcast brings the user front mobile phone screen to the scene, and there is no lack of very provocative words and actions in his live broadcast, such as OMG, wow, so good as to explode, gosh, and so on. He also uses celebrity effects when trying out lipstick colors, for example, describing lipstick colors that look like Yang Mi, Nana Ouyang, Shu Qi, and other female celebrities when applied to the lips. Li Jiaqi uses scenarios to guide sales and infect consumers' emotions. Research has shown that women are more likely to be emotionally attached to anchors and are more likely to follow influencers who focus on demonstrating expertise and instructional content [10].

In the awareness phase, brands increase their visibility by partnering with the platform's head anchors. On Taobao, well-known brands work with Li Jiaqi to promote their brands, and for brands that are unfamiliar to consumers, partnering with a headline anchor like Li Jiaqi means getting in front of consumers quickly and often, thus speeding up the process of getting them into the awareness stage and transitioning them to the consideration stage.

In the consideration stage, the brand negotiates with the e-commerce anchor on the purchase mechanism, such as lower prices and more generous gifts, so that the price of the goods works out to be more cost-effective than buying in a duty-free shop. In the consideration stage of the screening process, the anchor repeatedly repeated provocative words to increase the buyer's consumption impulse and finally completed the purchase decision.

Price perception has important implications for whether consumers will enter the loyalty cycle. When consumers perceive buying from the anchor's live room as the most cost-effective and cheapest, they often join the live room again to purchase. Therefore, in 2019-2022, the most famous head anchors on China's Taobao platform are Li Jiaqi and Weiya [11].

5. Conclusion

In recent years, China's e-commerce environment has gradually changed; e-commerce life is no longer the two giants of the "price who is the cheapest" dispute but a hundred flowers blossom, a hundred schools of thought. The rise of the Oriental Selection and Li Tan's story kiosk proves that live e-commerce is no longer the king of traffic, but pay more attention to the high quality of the content; the increase in the waist anchor, super head anchor Li Jiaqi Lianmai "all the girl's wardrobe", diversion makes the e-commerce live to the centrality of the development of matrix; e-commerce live no longer Taobao's "Patent", small red book, jitter tone, micro letter video number has become a live stage of e-commerce, the multi-platform layout will become normalized.

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