Exploring Social Engagement in Live Commerce--Take Douyin as an Example

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Abstract:

China's live streaming industry is gradually approaching maturity, becoming a major competitive instrument in the e-commerce industry. Therefore, this article will explore social interaction in live commerce and future interaction in live streaming. This article describes the background and current development of the live-streaming industry in China. This article explores interactivity in live commerce using the Douyin platform as an example. Explored the interactive features of live commerce on the Douyin platform from the streamer and audience to audience perspectives. Using the frameworks of symbolic interactionism and Internet expansion, the social interactions that live commerce brings to audiences are researched. This article also emphasizes the importance of live interaction for the benefit of live commerce and the importance of live content. Subsequently, the impact of this social interaction on the audience's decision-making process is explored. Furthermore, the article also explores the misinformation, data privacy, and potential brand crisis that can be caused by live commerce, and it emphasizes the emotional connection between streamers and audiences and the building of community as the future of live commerce.

Keywords: Live commerce; social interaction; cross-platform interaction; consumer behavior; social group

1. Introduction

Live commerce has soared in China in 2016, and the contributors to the growth include the popularity and adoption of smartphones and 4G networks in China. In 2023, according to the Ministry of Commerce of the People's Republic of China, the total revenue of China's radio, television, and online audiovisual industry was 1,412.608 billion RMB, which increased by 13.74 percent year-on-year [1]. In this process, the advertising revenue of traditional media is gradually declining, and increasingly, more people choose to use new media advertising for promotion. New media includes live streaming, social media, online TV, etc. The success of new media cannot be separated from the advancement and promotion of technology. The gradual maturity of the Internet and streaming media technology is a crucial factor in the success

of new media marketing. In the early days, live streaming was a form of entertainment, and most live-streaming content was based on games and other entertainment programs. With the popularity of technology and the increase in costs, streamers began to use the live broadcast platform to display and promote merchandise. Eventually, they formed a new way of live commerce. According to the research, live commerce and traditional e-commerce are slightly different; live broadcasting can be included in the e-commerce category, but live broadcasting essentially provides a new shopping experience for merchants to interact directly with consumers. This essay will use the example of live commerce on the Douyin platform to explore the importance of social interaction in live commerce, the effect of interactivity on customer's brand loyalty, and the characteristics and problems of live commerce.

2. Marketing Environment Background

Since China's e-commerce platforms are growing dramatically, some e-commerce platforms like Taobao and Jingdong reached a saturation point in the market in 2010. Chinese e-commerce platforms must discover new marketing approaches to maintain market share and grow profitably. Along with creating short video platforms, Douyin exploded in 2016 and then exploded in 2018, the main features of which are short video production and webcasting. In the early stage of Douyin's development, most Influencers or streamers gained profits primarily through gift rewards and advertisements. Furthermore, in the early stages of Douyin's platform, users could share short videos for 15 seconds to 3 minutes, and most of the content included some life tips, daily sharing, food making, and various other fields. Douyin's success is that people are more inclined to this kind of fast information input, and this kind of access to information allows Douyin to quickly have a vast user database. As the user bases grow, Douyin's leading company, ByteDance, can get hold of a significant quantity of user data. ByteDance can accurately target users with their favorite content based on user data, significantly enhancing user stickiness.

In October 2017, Douyin's live-streaming function was launched. It is different from the current e-commerce live streaming, and in the early stage, Douyin's streamers' income is more dependent on the audience's rewarded gifts to get profits. However, Taobao Live (the head live commerce platform in the Chinese market) does not have the function of gift rewards, which is unique to Douyin's live commerce [2]. Douyin's transactions around the plat-

form's promotional festivals in 2020 reached RMB18.7 billion. Because Douyin's platform is a closed-loop e-commerce ecosystem built from entertainment content, it has created a massive volume of transactions [2].

3. Analysis of Social Interaction in Douyin Live Commerce

3.1 Forms and Types of Social Interaction in Douyin Live Streaming

During live commerce, interaction is often multi-faceted. Different live content creates different experiences for viewers. Furthermore, interaction in live commerce doesn't just happen during the live commerce; viewers will also engage in ongoing interaction after the live stream. This includes the creation of closer relationship networks, such as streamer fan groups and welfare groups. This section will use symbolic interactionism and social capital theory as a framework to describe the forms of social interaction in Douyin live commerce.

3.1.1 Interaction between streamers and viewers

Symbolic interactionism emphasizes that individuals interacting with each other will convey information through negotiated symbols, speech, and behaviors to further build relationships and societies. Converting to a live commerce situation, during the interaction between the streamer and the audience, the streamer can respond to the audience's comments or questions in real-time through the live studio channel. This real-time answer and response create a rapid symbolic transfer that makes the live content change with authenticity and appeal. Furthermore, the difference between Douyin live commerce and other banding platforms is that viewers can reward the streamer with gifts. This represents one more way for viewers to interact with the streamer. Virtual gifts can also represent a form of symbolic interaction, and different gifts have different meanings. According to the research, digital gifts in live commerce play a critical factor in the success of live commerce, and what is established in the process is the primary way for viewers to connect with the streamer on a profound level [3]. In this process, the audience rewards the content of the streamer's live streaming. Then, the streamer will express his gratitude to the gift giver in the live streaming room in front of all the viewers, pulling in the connection between the streamer and the viewers. Furthermore, according to the research, the traditional way of interaction is turned into an indirect way of interaction, blurs the boundaries between conventional and quasi-social interaction, and can create a deeper emotional and mutually beneficial relationship [4]. There is an exchange

of benefits between how this interaction. Therefore, the connection will be more profound.

Furthermore, streamers can also engage with followers by building communities, for example, building relevant fan groups where streamers can interact with their followers. This type of interaction can direct followers to expand to other live-streaming platforms and maximize the benefits [5]. Moreover, streamers can also use the community to channel their viewers from Douyin to other platforms for revenue conversion. It can attract viewers with better merchandise and discounts on other platforms.

3.1.2 Interaction between viewers and viewers

During the live-streaming process, there is relatively limited audience interaction. However, after the live streaming, the audience can interact with each other through the community established by the streamer. Therefore, the interaction between viewers is greater across social media platforms. These platforms not only maintain the connection between the streamer and the viewer but can also be a platform for socializing for the viewer. According to the research, this interaction can be multichannel and have a significant impact on the digital media age [6]. The digital media era has created a platform for viewers to interact in a cross-platform format. This cross-platform interaction also subsumes the forms of interaction created by live commerce. Furthermore, this approach is also important in creating loyal consumers in live commerce.

3.2 The Impact of Social Interaction on Consumer Decision Making

Many factors can influence consumer behavior during live commerce, such as the streamer's words, the live stream's length, and the streamer's influence. According to the questionnaire, people of different age groups make 60 % of the purchasing decisions caused by the atmosphere of the live streamer, the influence of the streamer, and the brand influence of the product. Furthermore, people are more likely to spend money on live streams with more followers. Therefore, the content of the live stream is a crucial factor in the success of live commerce. Audiences are more likely to be influenced by the atmosphere created by the streamer in the live stream. According to the focus group's discussion, the streamer's presentation of the product during the live streaming is more comprehensive than that in offline physical retail. This is also a recognition by the audience of the live-streaming content. This is because in live commerce, different viewers will present different questions about the product, and the streamer will try to explain most of the issues raised by the viewers as much as possible and provide solutions to the public. These contents assist in creating a total marketing envi-

ronment. Moreover, the questionnaires also demonstrated that more people prefer to watch the live streaming of influencers, especially the head streamers, and not the official live stream of the brands.

The reason for this might be that the interactive format of the live streamer is more attractive to people, and the brand's live streams are not as interactive as influencers' live streams and, therefore, not as interesting or entertaining. Although the brand has loyal users, the main purpose for which people watch Doyin is not to shop but to be entertained. This paragraph will discuss how this interaction influences the customer's decision. During the live streaming of influencers, audience members can interact with the influencer by sending comments, asking questions, and voting (PK: popularity contest between streamer and streamer). According to the research, this real-time interaction increases viewer engagement and raises their attention to the broadcast [7]. The increased attention of live streamers can increase the time customers stay on the live stream. Hence, audiences have more opportunities to access the products recommended by the streamer. During the streamer's product presentation, the streamer will utilize relevant discursive marketing techniques to further influence the viewer's decisions and decision-making. For example, the streamer can blend into the group audience to ask questions about the product strengths to make the audience focus on the product strengths. Moreover, during comment interaction, other viewers who are not interacting may be more susceptible to influence caused by a sense of group identity [5]. This influence is more likely to make audiences eliminate counterarguments. In live streaming, viewers or consumers can enjoy the pleasure of interacting with the streamer. This pleasure can make the audience forget the role of the streamer as a salesman rather than an inspector of the product [8]. This swapping of roles can help the audience consume the product being marketed. Furthermore, in their real-time sales interactions with the audience, streamers utilize the Fear of Missing Out (FOMO) to make relevant marketing [9]. FOMO refers to the public developing persistent anxious behavior about events or missed opportunities, which can cause dissatisfaction with their personal lives [10].

Furthermore, there is a small reduction in the price of items in live commerce, which is a factor in the purchasing decision. However, the prices of goods do not change mostly during live streaming or non-live streaming. The point is that the sense of urgency created by the words leading up to the live stream forces the viewer to decide in a short period [9].

4. Problems

4.1 From the Brand Perspective

Because of the mass popularity of a streamer's profession, there is an increased risk of it harming a brand's image. The threshold for becoming a streamer is remarkably low, and likewise, the threshold for the audience is even lower. It means that there is an increased chance that people will inadvertently receive incorrect information from the influencer. According to Pual Lazarsfeld's two-step flow theory, the medium does not influence the audience directly; rather, the opinion leader has a greater impact through secondary communication with the audience [11]. Through the digital age, the acceleration of how the media disseminates information has allowed opinion leaders to expand the velocity and extent of information dissemination. Misinformation delivered by a streamer can affect not only the audience but also the credibility and reputation of the brand. Eventually, this could lead to profitability and sustainability of the industry and an increased risk of brand public relations crises.

In the Douyin platform, gift interaction is an important interactive component and feature. The interaction in this session involves an interaction of benefits. This means that the audience's attention to the behavior and content of the streamer will increase. Therefore, the audience will be more concerned about the truthfulness of the information and the attitude of the streamer. Audiences will expect to receive more of the same value as gifts and other rewards on the livestream. If information is generated that does not match the audience's expectations or a negative event about the streamer can quickly alter the audience's attitude in an unfavorable direction towards the streamer. As a result, the design of live content is becoming increasingly detailed, and the link between live commerce and brand image is further strengthened. Crisis events are, therefore, more likely to affect the brand's reputation, representing an increased likelihood of losing loyal users.

4.2 From the Audience Perspective

Douyin, a top platform for exposure with a billion people already registered, can reach more than 600 million active people per day [1]. Thus, consumer privacy and data security will emerge as larger societal issues. The type of interaction mentioned above - building communities - includes the exchange of information across platforms, thus resulting in the loss of further information. Furthermore, exposure equals capital, and the benefits of live commerce on Douyin, which brings in exposure, are enormous. Further damage to the security of personal information might be caused by this social pattern. However, the undeletable and diffuse properties of big data are not just a problem for live commerce platforms but also for all internet companies. The responsibility for information security is an issue that every streamer must confront. This is because, in the backend of the streamer, more and more user information is available to the streamer to boost profitability. This is the same issue that all internet users will confront.

4.3 About Future

Through understanding the interactions in live commerce, it contributes to a greater understanding of consumer behavior. It can provide further insights into the range of issues that result from live streaming. From the interactions in the live stream, the consumer behavior displayed can be predicted for future audience preferences. The audience's choice of live room type shows that the audience is unwilling to confront the official sales live commerce, and the audience prefers to spend money in the influencer's live commerce. This behavior means that the audience prefers to consume in a live room that is highly interactive and builds an emotional connection. The crucial point is not the number of loyal users or the number of followers but the ability of the influencer to create an emotional link with the viewer through various means. In the future, streamers should be more focused on how well the live content matches the preferences of their fan base. Furthermore, as interactive technology advances, such as AR and VR, the number of interactive channels available for live commerce will increase. Streamers should also follow the trend of technological development to make changes and upgrades in how they interact.

In the context of live commerce, community building remains important. It's a method of building a social grouping effect, which can help eliminate consumer countervailing voices. The social grouping effect is the phenomenon where individuals' behaviors, attitudes, or decisions are influenced by their membership in a particular social group. The communities that streamers build through other social media platforms can create a sense of identification in their fan group. This sense of community can positively affect online marketing by reducing the number of independent minds in the audience.

With the gradual maturity of cross-platform interactions, the regulation of user information by individual platforms should continue to improve. The regulation of user data by e-commerce platforms is a huge challenge, and e-commerce platforms are responsible for protecting user data. The national level also requires the introduction of appropriate policies to deal with the privacy and security issues brought about by the digital age. User privacy issues are solved in exchange for better e-commerce in the future.

Based on the characteristics of the digital age, such as the 4V's (volume, variety, velocity, and capacity), it is difficult for scholars to predict the future of digitization. For example, digital age trend shifts tend to be extremely rapid, from the meta-universe that exploded in 2018 to today's AI writing, painting, and film creation. Therefore, predicting development is not a great choice. Streamers should adapt and find their rules are better for integrating the streaming field.

5. Conclusion

Through the analyses in this article, social interaction in live commerce plays a crucial role in marketing success. This article explores the forms of interaction experienced by the audience before and after a live business event through the theories of symbolic interaction and network extension. These interactions often facilitate emotional connections and trust, impacting subsequent purchase decisions. The impact of social interactions can extend beyond live broadcasts due to social group effects. In this situation, the attitudes and behaviors of individual audiences are influenced by the communities involved. Additionally, the potential risk for brand public relations crises increases as live streamers deepen their real-life impact on viewers, and the threshold for live streaming is reduced. From the platform perspective, the user's private information management policy should be upgraded and managed to obtain further trust. From the streamer's per-spective, community building is similarly a direction that the streamer should focus on managing. Those streamers who can capture emotional interaction and creativity will obtain further profit from live streaming.

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