

Analysis of Economic Factors Affecting Consumer Purchase Intentions on E-commerce Live Streaming Platforms

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Abstract: With the rapid rise of e-commerce live streaming platforms, consumer purchase intentions are influenced by various economic factors. This study takes a close look at the five main economic factors that affect people's decisions to buy: their disposable income, how products are priced, their economic expectations, their ability to get credit, and their economic knowledge and financial management skills. It does this by interpreting the relevant economic factor concepts and reviewing previous research. These factors influence consumers' decision-making processes through a variety of mechanisms. Disposable income directly influences purchasing power; product pricing strategies and credit availability affect price sensitivity and timing of purchases; and economic expectations and financial management skills influence risk assessment and purchasing behavior. This analysis helps understand the complexities of consumer behavior in the context of e-commerce live streaming, providing valuable insights for platform operators and market strategists.

Keywords: E-commerce live streaming platform, consumer purchase intentions, economic factors, disposable income, product pricing strategies

1. Introduction

With the rapid development of internet technology, e-commerce live streaming has become an important part of modern consumer culture. Live streaming platforms leverage the advantage of real-time interaction, significantly changing traditional e-commerce marketing strategies and consumer shopping behaviors. This emerging shopping model not only attracts a large number of consumers, but it also gradually becomes a new bridge for communication between brands and consumers. The rise of e-commerce live streaming has brought a series of economic questions and research topics, especially concerning the analysis of economic factors influencing consumer purchase intentions. This paper explores and analyzes the main economic factors affecting consumer purchase intentions on e-commerce live streaming platforms, including disposable income, product pricing strategies, economic expectations, availability of consumer credit, and economic knowledge and financial management skills. These economic factors not only influence consumer purchasing decisions, but they also indirectly affect e-commerce platforms' marketing strategies and operational efficiency. Understanding how these economic factors affect consumers and how to adjust market strategies based on these factors is crucial for the success of e-commerce live streaming. Through the explanation of economic factors' concepts and the review of past literature, this paper discusses the importance of five factors that affect consumers' purchase intentions on e-commerce live streaming

platforms, besides, this paper examines how these factors influence consumer decision-making processes, providing theoretical support and data guidance for strategy formulation on e-commerce live streaming platforms. By delving into these analyses, the paper explains consumer behavior patterns in the context of e-commerce live streaming and how economic factors influence their purchase intentions. This not only helps optimize business models for e-commerce platforms but also offers consumers more precise and personalized shopping experiences.

2. Disposable Income

Disposable income is considered a core economic factor that significantly influences consumer purchase intentions on e-commerce live streaming platforms. According to the research by Yan Zhaoye and Gao Yuan, the level of disposable income directly influences consumers' purchase intentions and brand trust [1]. Specifically, an increase in disposable income leads to a higher frequency and amount of purchases on e-commerce live streaming platforms because higher income levels enhance consumers' purchasing power and ability to pay for high-value products. Wei et al. noted that disposable income affects not only consumers' product selection abilities but also their evaluation and reaction to live streamers' characteristics [2]. The more stable a consumer's economic situation, the more likely they are to be interested in products showcased by live streamers and make purchasing decisions during live broadcasts. This indicates that consumers' economic background is a significant driving factor in their participation in e-commerce live streaming purchases. When consumers have a higher disposable income, they are more inclined to explore new brands and high-priced products and are more willing to make spontaneous purchases during live broadcasts. This behavior pattern is particularly evident on live streaming platforms, where the interactive and real-time nature provides an immediate way to satisfy shopping desires. Live streaming's features, such as real-time interaction and the influence of live streamers, combined with consumers' economic status, create complex consumption dynamics. High-income consumers may focus more on quality and brand value, while low-income consumers may seek cost-effective products. This diversity requires live streamers to adjust their strategies to cater to audiences from different economic backgrounds.

Understanding disposable income is crucial to comprehending consumer behavior on e-commerce live streaming platforms. Income levels not only affect consumers' overall spending capacity but also their engagement with live content and purchasing decisions. To effectively enhance sales performance, understanding and leveraging these economic factors will be key to increasing consumer engagement and purchase intentions.

3. Product Pricing Strategies

Product pricing strategies significantly influence consumer purchase intentions on e-commerce live streaming platforms. Qin Yiliu et al. emphasized that the scientific and rational nature of pricing strategies closely relates to the success of live marketing [3]. Appropriate pricing strategies can significantly increase consumer purchase intentions by directly affecting their perception of value and cost-benefit evaluations. The immediacy of e-commerce live streaming demands flexible and adaptive pricing strategies. During live broadcasts, streamers often use time-limited discounts and coupon distributions to stimulate impulsive purchases. These strategies' effectiveness lies in their ability to convey price advantage information instantly, increasing consumers' sense of urgency and prompting quick decisions. Therefore, pricing strategies should not only attract consumer attention but also stimulate their desire to purchase, making them feel the immediate value of buying. Product pricing in e-commerce live streaming also needs to consider consumers' psychological expectations. Qin Yiliu et al. pointed out that if pricing exceeds consumers' psychological expectations, even high-

quality products may see a decline in purchase intentions [3]. Therefore, e-commerce platforms and streamers need to conduct market research to understand the price sensitivity of their target consumer groups and set reasonable price ranges. This pricing should reflect the value of the product and align with consumers' purchasing capabilities.

Competitive analysis is also crucial in developing product pricing strategies for e-commerce live streaming. Understanding competitors' pricing strategies is essential for setting one's own pricing strategy to remain competitive in the market. This entails more than just price competition; it also entails conveying brand value and market positioning through pricing strategies. E-commerce live streaming's product pricing strategies are complex and multidimensional, involving market positioning, consumer psychology, streamer influence, and competitive dynamics. Correct pricing strategies can significantly enhance consumer purchase intentions, increase sales performance, and provide a competitive edge in a fierce market.

4. Economic Expectations

Economic expectations play a crucial role in consumer purchase intentions on e-commerce live streaming platforms, especially against the backdrop of economic volatility and uncertainty. Chen Xiaona and Liu Jing noted that consumers' economic expectations significantly influence their purchasing decisions [4]. These expectations reflect consumers' assessments of the future economic environment and predictions of personal economic conditions. Economic expectations affect consumers' risk-taking ability: when economic expectations are optimistic, consumers tend to increase spending, try new products, or purchase high-value items. Conversely, when economic expectations are pessimistic, consumers may reduce non-essential purchases and seek more cost-effective products. The real-time interaction of e-commerce live streaming provides immediate shopping incentives and discount information, significantly impacting how economic expectations influence purchasing decisions.

Consumer confidence and satisfaction also closely correlate with economic expectations. According to Li, consumers' trust in live streaming platforms and satisfaction with live content can mitigate the consumption pressure caused by economic uncertainty [5]. Because consumers trust live streamers or platforms, they may make purchase decisions even when economic expectations are poor. Economic expectations directly influence price sensitivity: in uncertain economic times, consumers are more focused on price and cost-effectiveness. Therefore, pricing strategies on live streaming platforms need to be more adaptive and flexible to align with changing economic expectations.

Economic expectations not only influence individual purchasing behaviors, but they can also form collective ones through social interaction on live streaming platforms. When a majority of viewers express optimism about the economic situation during a live stream, this positive sentiment can spread to other consumers, enhancing overall purchase intentions. Conversely, widespread concerns or negative sentiments among viewers can suppress purchase intentions.

5. Availability of Consumer Credit

Consumer credit availability is a significant economic factor influencing purchase intentions on e-commerce live streaming platforms. Sun Yuping and Zheng found that the ease or restriction of credit conditions directly influences consumer purchasing behaviors, particularly in live streaming scenarios involving high-value products [6]. If consumers can easily obtain credit support, their purchase intentions are significantly enhanced because credit availability provides additional financial flexibility and reduces immediate payment pressure. Credit availability expands consumers' purchasing power, and in live streaming shopping, streamers often showcase a variety of products, including high-value items such as electronics and jewelry. In such cases, if consumers can access

credit, they are more likely to make immediate purchase decisions. This immediate purchasing capability through credit not only enhances the shopping experience, but also increases the sales volume of e-commerce platforms.

Credit availability is closely related to consumers' decision-making processes. An-Peng and Cho noted that when consumers face credit shopping options, they consider the costs and benefits of the credit, such as interest rates and repayment terms [7]. Reasonable credit conditions can reduce consumers' financial burden, making them more willing to make high-value purchases during live streams. According to economic theory, there is a positive relationship between consumer credit availability and consumption behavior: in a relaxed credit environment, consumers' purchase intentions are enhanced because they can spread the cost of purchases. However, e-commerce platforms and financial institutions must provide transparent and easy-to-understand credit agreements to foster consumer trust and purchase intentions. Credit accessibility can also be used as a marketing tool to increase consumer engagement. Sun and Zheng suggested that live streaming platforms could collaborate with financial institutions to offer specific credit products, such as "zero-interest down payments," to attract consumers to make immediate purchases during live broadcasts [6]. This strategy not only boosts sales but also strengthens consumer loyalty and satisfaction. Credit availability also affects long-term purchasing behaviors; sustainable credit support encourages consumers to make repeat purchases on live streaming platforms, especially for high-value items with longer purchase cycles. This purchasing pattern's sustainability is crucial for the long-term success of e-commerce platforms as it helps build a stable consumer base and continuous revenue streams.

6. Economic Knowledge and Financial Management Skills

Consumer economic knowledge and financial management skills are crucial factors influencing purchase intentions on e-commerce live streaming platforms. Xie emphasized that consumers' understanding of economics is essential for making wise purchasing decisions during live streams [8]. This understanding includes the ability to evaluate product value, comprehend price structures, and recognize market changes. Consumers with good economic knowledge can more effectively assess product cost-effectiveness. Live streaming often involves rapid product presentations and sales pitches, requiring consumers to make quick purchasing decisions. In such cases, consumers with economic knowledge can make more rational choices based on their understanding of product costs, market pricing, and expected utility. This ability helps them avoid impulsive purchases and ensure that their buying behavior brings maximum economic benefits.

Financial management skills also play an important role in live streaming shopping. Li noted that consumers with strong financial management skills exhibit higher self-control in live streaming shopping, effectively managing their budgets and resisting unnecessary purchase temptations [5]. Understanding financial management principles and implementing effective budget control enable consumers to achieve this self-control. Economic knowledge and financial management skills also influence consumer trust in live streaming platforms. Consumers familiar with economic principles are better at identifying potential price manipulations or misleading information during live streams. This identification capability is based on understanding market operation rules, such as supply and demand relationships and price elasticity. Therefore, knowledgeable consumers are less likely to be influenced by pricing strategies, making their purchasing decisions more stable and inclined to reputable live streaming platforms.

Economic knowledge and financial management skills also help consumers recognize potential risks in live streaming activities. For example, during live streaming, consumers might face issues such as non-transparent product information and difficulties with returns and exchanges. Consumers with economic knowledge can identify these risks early and take appropriate measures to avoid potential financial losses. Financially savvy consumers tend to focus more on long-term investments

rather than immediate consumption. This means they may prioritize products' long-term value over short-term discounts during live streams. This purchasing behavior enhances overall satisfaction and loyalty as decisions based on thorough consideration tend to be more stable and reliable. Economic knowledge and financial management skills are indispensable consumer capabilities on e-commerce live streaming platforms. They directly influence purchasing decisions and behavior patterns. Improving consumers' economic education levels can effectively enhance their shopping experience and satisfaction, promoting healthy development of e-commerce platforms.

7. Conclusion

Disposable income is a direct influence on consumer purchase intentions. When consumers have higher disposable income, they are more inclined to make more frequent and higher-value purchases during live streams. Therefore, live streaming platforms should consider introducing more high-end products to attract and retain this consumer segment's interest. Additionally, live streaming content should be more personalized to meet the needs of consumers with different income levels. Product pricing strategies significantly impact consumer purchasing decisions. Reasonable pricing not only increases consumer purchase intentions, but also improves overall brand satisfaction. Live streaming platforms should adopt flexible pricing mechanisms, such as time-limited discounts and special offers, to stimulate impulsive purchases and increase sales. Economic expectations are equally critical. In uncertain economic conditions or when consumer expectations are pessimistic, live streaming platforms need to strengthen trust-building measures, such as showcasing product authenticity and providing high-quality services, to maintain consumer confidence. Conversely, in optimistic economic conditions, platforms can stimulate higher consumer spending by offering premium products and experiences. Consumer credit availability also has a significant impact on consumer purchase intentions. E-commerce live streaming platforms should collaborate with financial institutions to offer favorable credit conditions, making high-value purchases more accessible to consumers. This approach can expand consumer groups and increase overall sales.

Lastly, enhancing consumer economic knowledge and financial management skills is essential for promoting rational consumption behaviors. E-commerce platforms can provide financial education content, helping consumers make more informed purchasing decisions and avoiding impulsive buying behavior.

In summary, understanding and analyzing these economic factors are crucial for the successful operation and strategic development of e-commerce live streaming platforms. By considering these factors, platforms can better cater to consumer needs, improve purchase intentions, and achieve sustainable growth in a competitive market.

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