

Analysis of the Live-Streaming Market

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Abstract: As society evolves throughout time, the complexity of relationships has brought social media and online apps under the spotlight. With more than 3 billion users worldwide, social media has developed far beyond its intention; rather than just a platform used to share stories and lifestyles or expand social circles, it has become a market where businesses can launch their products to all social media users. The broad use of this advanced platform allows companies to be creative and innovate in diverse ways essential to selling their products. Since the influence of online platforms is nonnegligible, the live-streaming market becomes in today's world because companies can use live broadcasts to enhance or maximize direct communication with customers, and it allows people across the world to interact with which broadens the range of customers that companies could potentially target. Specifically looking at pieces of data, there are around 12~24 million online stores. This further shows that most companies view online channels or social media as a crucial tool to promote their products. In this essay, the analysis of the origin, development, profit, and impact of live streaming on customers will be provided. Multiple perspectives of the live-streaming market will be shown with data and explanations as well.

Keywords: live-streaming, marketing, innovation.

1. Introduction

The first live streaming was developed in 1982 when Home Shopping Club aired on local cable channels Vision Cable and Group W cable soon, HSN pioneered the televised direct-to-customer sales-pitch technique. The magnificent change happened in 1999 when the online marketplace Alibaba launched. In 2013, Google rolled out an update to YouTube, opening a broad gate for users to live stream their videos. In 2018, Alibaba launched Taobao Live to allow online retailers to sell through live streaming. Soon, in 2019, Amazon also added live-stream shopping for top brands through Amazon Live. The most trending time of this marketing channel is during the pandemic, between 2020 and 2021. COVID-19 hit, and brands turned to live streaming to sell products. Recently, customers have also become obsessed with this kind of marketing strategy. The total number of hours of live videos on Twitch is 9.3 billion hours, and China's projected sales revenue by the end of 2021 was 1.2 trillion, which continues to grow.

The way live streaming works and how it works is the part that attracts its customers. First, live streaming can be convenient, accessible, and entertaining. More aspects will be provided in analyzing

the strategy's pros and cons. Second is how companies are using live streaming for marketing. This involves live tutorials that highlight the brand. Consumers are no longer attracted to flashy advertisements; users need live tutorials to depict the usage of the product. Live interviews with industry professionals who also work as experts can surely enhance the brand's social media game and the credibility of the product as well. Moreover, coupons and discounts are what companies use the most during live streaming. This is because live cargoes are usually sold directly to consumers by manufacturers or agents, and there are no dealers, retailers, and other links in the middle, which can save the price increase of the intermediate link, thereby reducing the price of the product. Secondly, Live delivery is mainly carried out through the network, which saves many operating costs such as store rent, labor, and inventory under the traditional direct sales model. It can also use network technology to improve operational efficiency and sales effect. Thirdly, In live delivery, in order to attract consumers, many manufacturers will set up various promotional activities, such as limited-time discounts, full reduction activities, etc., to further discount prices and improve the cost performance of products. So, above are the reasons and the mechanism of the live-streaming market strategy.

2. Literature review

In this section, we will explain the basic information of live-streaming and its future development, which can be interpreted as an overview of this market.

2.1. The definition of live stream marketing

First, live streaming refers to the streamed video sent over the internet in real-time without being recorded and stored. With this understanding more companies bring this technique as a marketing way to sell their products. Therefore, the precise definition of live stream marketing is the use of video content created, distributed, and viewed in real-time to promote and market a company's products or services.

2.2. The benefits of live stream marketing

The most significant benefit is people are engaged online. In fact, 80% of consumers prefer watching live brand videos instead of reading a blog post. Live streaming allows you to have two-way communication with your audience, who can comment, ask questions, share opinions, and participate in polls or quizzes. This can make your content more interactive, relevant, and fun, providing valuable insights into your audience's needs and preferences. Moreover, a live stream video has both short- and long-term use. In addition to immediate benefits, there are uses of the video even after the stream is over. Recorded content can be repurposed as fresh video content for your business website. Video content strategically placed on landing pages can increase conversion rates by 80% or more, and 64% of users are more likely to purchase a product online after watching a video. The graph shown below predicts the future development of the live-streaming market.

2.3. Channels and Methods

The first thing that comes to mind when you think of the relatively new term live marketing is the methods and channels through which it is disseminated. The live streaming that exists in our perception is probably the live streaming in real time on major software to market the products produced by the brand. However, live streaming marketing doesn't just bring explicit or implicit benefits to itself in this way. Our group looked at several of the major transmission routes and gave a brief description of them.

Social Media Platforms: Platforms such as Facebook Live, Instagram Live, YouTube Live, and Twitter Periscope provide a convenient way to reach a large audience. Videos can be streamed live, interacting with viewers through comments and promoting products or services.

Webinars: Hosting a live webinar can introduce a product or service to an audience, answer their questions, and demonstrate the benefits. Platforms such as Zoom, Got Webinar, and Webex are commonly used to host webinars.

Influencer Collaboration: Collaborating with influencers who have a large following in your target market can help reach out to a wider audience. Live events, product demos, or Q&A sessions can be organized in collaboration with them.

E-commerce platforms: Many e-commerce platforms, such as Amazon Live and Alibaba's Taobao Live, offer live streaming features designed specifically for product promotion and sales. These platforms often have in-built purchasing features that make it easy for viewers to purchase while watching the live stream.

Dedicated Live Streaming Platforms: Platforms like Twitch and TikTok Live are popular among specific demographics and can effectively target these audiences with live marketing campaigns. These platforms usually have unique features and a highly active user base.

2.4. The cause of popularity

After introducing the channels, how did live-streaming marketing enter the public eye and become so popular? Its form of novelty, the public acceptance of different things, will certainly produce a sense of freshness. But it has been able to maintain such high heat is because of its unique advantages:

Increase Engagement: Live marketing provides a highly engaging experience for viewers. The interactive nature of live streaming, where viewers can ask questions, leave comments, and participate in polling or Q&A sessions, encourages active participation and keeps the audience engaged.

Exclusivity and FOMO: Live marketing often creates a sense of exclusivity and urgency. Viewers know they are witnessing something happening in real-time and may have access to limited-time offers, discounts, or exclusive content. This creates Fear of Missing Out (FOMO) and motivates the audience to take immediate action.

Human Relationships and Storytelling: Live marketing allows companies to show the human side of their brand. By showcasing real people, behind-the-scenes footage, and personal stories, companies can create a deeper emotional connection with their audience, making marketing messages more relevant and memorable.

Mobile Friendly and Convenient: Live marketing is ideally suited for mobile devices, which have become the primary means of accessing online content for many people[1]. Viewers can watch live streams anytime, anywhere, making it a convenient and easy-to-use marketing channel.

Data and Analytics: Live marketing provides valuable data and analytics that can be used to measure the effectiveness of a campaign[2-6]. Metrics such as viewership, engagement, and conversions can help companies better understand their audience and optimize future marketing efforts.

2.5. A measure of effectiveness

Despite the existence of such a way, it is also known to the public. We still need to measure whether it is effective. We have chosen several ways to test the efficiency of live marketing.

Ratings: The number of viewers watching your broadcast is an important metric. It indicates the scope and potential impact of your field marketing efforts[7]. Higher ratings usually mean more viewers and greater exposure for your brand or product.

Duration of viewing: The amount of time a viewer stays in a live stream is another important metric. Longer viewing time indicates higher interest and engagement. If viewers stay until the end of the broadcast, it shows that the content is attractive and valuable to them.

Comments and interactions: The quantity and quality of comments, questions, and interactions from viewers during live streaming are strong engagement indicators. Positive reviews, questions about products or services, and active participation in polls or Q&A sessions show that the audience is actively engaged and interested in what is offered.

Conversion rate: The conversion rate measures the percentage of viewers who take an expected action during or after a live broadcast, such as buying, signing up for a newsletter, or downloading a resource[8]. This metric directly links the effectiveness of field marketing efforts to tangible business outcomes.

Social media reach and share: The reach and share of live streams on social media platforms can provide insight into the level of interest and engagement generated by live marketing campaigns. If viewers share a live stream on their network, it shows they feel the content is valuable and worth sharing.

2.6. Actual impact

Also, in addition to efficiency, we need to focus on the ultimate impact of live marketing. What does it ultimately bring to the brand or the public that follows them?

Increase Brand Awareness: Live marketing lets businesses showcase their brand, products and services interactively and engagingly. By reaching a wider audience through live streaming, businesses can increase brand awareness and visibility amongst potential customers. This also encompasses viral potential, which can increase the reach of a marketing campaign when the product itself has a competitive advantage in the industry.

Enhanced Customer Engagement: Live marketing offers unique opportunities to interact directly with customers in real-time. By interacting with the audience through comments, answering their questions, and addressing their concerns, companies can build stronger relationships and foster customer trust and loyalty.

Improved Product Demonstrations: Live marketing allows businesses to showcase their products or services, providing viewers with a more detailed and specific interactive experience. This helps potential customers better understand the features and benefits of the product, increasing interest and willingness to buy.

Valuable Feedback and Insights: Live marketing provides the opportunity to gather real-time feedback from viewers. By monitoring comments, questions, and reactions, organizations can gain valuable insights into customer preferences, pain points, and areas for improvement.

2.7. The Art and Impact of Live Marketing: Harnessing Real-time Engagement in the Digital Era

Over the last few years, live marketing has become its own, particularly in places like China. With our digital world changing the rules of consumer engagement, live marketing offers something refreshingly immediate and interactive. What makes live streaming stand apart is how it turns product showcases into instant, real-time events. Also, this is a live demonstration with real-time feedback, addressing customers' questions on the spot and alleviating their purchasing hesitations.

And let's not forget the brand narrative. Live streaming isn't just another sales channel – it's a brand's theater. It's where the brand story unfolds live, where emotions entwine with products, fostering deeper ties, amplifying loyalty, and elevating brand recall[9,10]. So, wondering how live

marketing can really boost those sales figures and elevate a brand's standing? It's all about letting consumers 'see' and 'experience' before they commit.

How do we capitalize on this? Here are some nuggets:

Creating a Buzz: Ever noticed how some live streams flash those "limited-time deals" or "exclusive offers"? That's a tactic. It prompts viewers to act immediately, tapping into their FOMO (fear of missing out).

(2) Cultivating Trust: There's nothing like answering a query live. It not only shows transparency but builds a trust bridge between the brand and the consumer.

(3) Beyond Sales: Sure, selling is great. But live streams that offer value through product demos, how-tos, or even some behind-the-scenes insights? They nurture a deeper brand relationship.

(4) Community Building: When viewers chat among themselves during a stream, they aren't just sharing opinions; they're building a brand community. That's brand loyalty in the making.

(5) Live marketing is the pulse of real-time feedback. Brands can instantly gauge reactions, adapt strategies or even tweak product features at lightning speed. As for brand imagery? A well-executed, captivating livestream is more than marketing; it's an art form. Done right, it can elevate a brand, making it resonate more profoundly with its audience.

3. Conclusion

As society advances and technology continues its relentless pace, live broadcasting has cemented itself as a cornerstone of modern culture. Since its inception, live marketing has done wonders: It's not only unlocked vast opportunities for retailers and other businesses but has also enriched consumers with an authentic, real-time shopping experience.

For entrepreneurs and companies, the realm of live marketing offers unparalleled leverage. Rather than just being about numbers, it's about fostering genuine relationships in real-time. Live marketing doesn't just rapidly increase the follower count, but it bridges the gap between brands and consumers, setting the groundwork for lasting meaningful connections. Our hands-on research took us deep into the world of live streaming, tracing back its roots, understanding its evolution, and decoding its revenue strategies. The findings? Live marketing is reshaping global business narratives. And it's not just about its reach or cost-effectiveness. The real magic lies in its authenticity, real-time engagement, and immediate feedback loop, all of which have become indispensable in today's fast-paced marketing playbook.

One cannot ignore the fact that live streaming also serves as an immediate query resolution platform. Customers can instantly seek clarity about products, and brands get a chance to showcase their responsiveness. Yes, the real-time nature brings challenges. Addressing queries instantly, ensuring the brand's image remains untarnished, and staying atop technical glitches can be demanding. But, from what we've gathered, the sheer convenience and transparency of live streaming can counteract these challenges.

Think of on-site marketing as the harmonious marriage between today's high-tech world and the age-old principles of traditional marketing. In our increasingly digital era, brands must be on their toes, constantly innovating, adapting, and evolving to align with shifting consumer desires. Those mastering live streaming, along with other online tools, will not only survive but thrive. Here's hoping that as we move forward, live marketing only refines itself, setting an even higher bench.

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