

# ***Analysis of Live E-commerce Influence on Consumer's Shopping Behavior in the "Double 11" Shopping Festival in China***

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**Abstract:** As one of the components of GDP calculation, consumption has always been the target of people's attention. Following the United States, China, the world's second-largest e-commerce market, is also a natural target. In particular, the research on the development of e-commerce and the rise of new shopping methods such as live e-commerce in recent years has aroused wide interest, and the analysis also provides new thinking for the sustainable development of e-commerce. In order to better study this problem, this study focuses on the analysis of online shopping and live streaming of goods in two ways. This study specifically analyzes the mechanism and rise of online shopping festivals and live streaming of goods, and also analyzes the possible advantages of the two methods and the shortcomings of product uncertainty as an example. In addition, this paper also combines and compares the two, especially in the "Double 11" shopping festival, and puts forward some thoughts for this research problem.

**Keywords:** live e-commerce, Online shopping, Purchase intention, Product uncertainty, comprehensive e-commerce.

## **1. Introduction**

With the development of consumption patterns, there has been a rise in consumption patterns such as live streaming commerce and online shopping in recent years. This paper aims to analyze which consumption patterns of e-commerce could be more likely to arouse consumers' interest and promote their consumption behaviors. Through comparative analysis, the paper first elaborates the development mechanism of the two different consumption modes and their possible advantages and potential problems, and then integrates and compares the advantages of the two according to the specific data, so as to explore the consumption preferences of contemporary consumers according to different consumption modes and explore the possible future consumption marketing direction.

## **2. The rise of the live e-commerce**

Today's ubiquitous live streaming, thanks to the successful launch of various streaming services such as YouTube, Twitter, and Facebook, has become the primary channel for customers to meet their information and interaction needs. And the convergence of live streaming and commercial events

forms live streaming commerce [1]. According to the report by Syntun, in 2023, the total sales of live streaming commerce reached 215.1 billion yuan during the Double 11, of which the top three platforms contributing the most sales are: Douyin, Kuaishou and Diantao [2].

The promotion of the epidemic has also made the consumption mode of "live streaming of goods" an important tool for economic recovery [3]. Compared with traditional e-commerce services, live e-commerce offers consumers a novel online shopping experience and establishes a new channel between sellers and consumers. Consumers can get real-time information throughout the consumer decision-making process and watch live performances from streamers [4]. During the epidemic period, the novel real-time information interaction provided by live e-commerce is also catering to the psychological needs of many consumers in quarantine to communicate and socialize, and with the rise of live streaming, it provides the viewers with the companionship they need.

Live e-commerce is simply recognized as live streaming of goods, which could easily originate from the specific apps on people's mobile phones. Among them, the app Douyin accounts for a large part of the market. Now, the consumption mode of live e-commerce on Douyin is gradually setting off an Internet craze among modern consumers. For instance, with the rise of apps such as Douyin, Diantao and Kuaishou that include short videos and live streaming online, people tend to fill up their fragmented time by browsing these apps. Due to the wide range of video content covered by these apps, ranging from nature to humanity, astronomy and geography to entertainment and gossip, and also for its attracting ability to condense, such as the Chinese TV series with an average length of about 40 minutes, it could be directly replaced by about 5 minutes of TV commentary, which is exactly in line with the needs of today's young people to kill boredom in public transportation or other public places. Therefore, it has become popular in recent years.

### 2.1. Live e-commerce methods

Live e-commerce is a new form of social commerce that promotes online product sales through real-time social interaction through live broadcasting, such as Amazon's "Style Code Live" and "Taobao Live" [5]. During the live broadcast, detailed product introduction and product display are carried out to recommend special discounts to consumers in the live broadcast room, which is the basic live e-commerce process. In China, there are two main ways of live e-commerce on the market. The first is to promote products through streaming media streamers with a large flow, mainly social celebrities, and entertainment stars. Strict selection criteria, strict business eligibility requirements, and high slot allowances reinforce the strong position of high flow streamers, so top streamers with large fan followings can achieve significant sales with relatively little marketing effort [6]. The way that the streamer sells may also require to pay the streamer a high employment fee, and the streamer will also carry out a strict selection of products, so the cost of this method may be relatively higher. Therefore, compared with the first method's high cost and low frequency, brand merchants have also begun to carry out live e-commerce in brand flagship stores in recent years. However, due to the high frequency of preferential activities and low single cost, the preferential intensity of the second method is often lower than that of the first method.

### 2.2. Advantages and disadvantages of live e-commerce

With the rise of live e-commerce of goods, one of the most significant advantages of live streaming is that the cost of live streaming is lower than that of traditional offline sales and online official website sales, so the price of goods is also lower. Secondly, different from traditional offline and online shops, where only a single type of goods is sold in one store, live streaming has more diversity. There are more types of live broadcast rooms with goods. You can choose not only the one specializing in the sale of a brand of goods, but also the one specializing in the sale of different brands

of the same goods, and the one that can mix the sale of various brand goods, such as one of Taobao's famous streamers Li Jiaqi.

According to Xiao, L. et al., relying on advanced technology in live streaming commerce, another major advantage of live streaming commerce compared to traditional e-commerce is that it can provide consumers with more dynamic information, enabling them to make better decisions [3].

On the contrary, such a business model as live e-commerce often has some problems. First of all, it is precisely because of the convenience and novelty of this business model, the current lack of specific legal constraints in the market, the business in the industry is uneven. Many small businesses even do not have professional equipment and manufacturers, therefore, the quality of their production of goods is unsatisfactory. Secondly, due to the particularity of this industry, which is different from the traditional sales model, many goods purchased by customers do not support consumers to return or even refund, which will also lead to consumers' consumption rights and interests not being well protected. Finally, the business model is based on a consumer base that has some basic understanding of streaming media, and therefore has limitations. For some groups, such as the elderly and the disabled, who are unfamiliar or not familiar with streaming media and mobile phones, live shopping with goods will increase their shopping burden and reduce their shopping desire.

### **3. The rise of comprehensive e-commerce online shopping festival**

Today, there are many online shopping festivals around the world, such as Black Friday, Cyber Monday, which is the first working day after Thanksgiving, and Amazon Prime Day [5]. Compared with offline shopping, online shopping prospers because it is not affected by weather changes, distance, convenient transportation or other factors, and can easily realize the vision of shopping around the world without leaving home with a finger or mouse click. Not only is the consumer experience more convenient, but consumers can also enjoy the same quality products at cheaper prices in online stores. This is mainly based on the fact that the operating costs of online stores are often lower than those of offline stores, because online stores do not have to pay rent, utilities or other basic operating costs like physical stores. The operating cost of online stores is relatively low, so the prices of goods provided by online stores can be more attractive to customers.

In order to attract customers and promote consumption, many online stores sell goods with similar quality, but lower prices, which are based on their lower operating costs than offline stores. Even many online stores will further adopt the same marketing methods as offline stores, and regularly take part in large-scale and vigorous commodity discount activities, such as the store's anniversary celebration or mid-year promotion activities. As a result, the emergence of online shopping festivals has extended a wide range of commodity discount activities. Through the large-scale discount or preferential treatment of goods, all brands and stores entering the shopping website as far as possible are united to form a unique "shopping carnival" of the shopping website to maintain and even attract more consumers.

#### **3.1. Comprehensive e-commerce shopping website consumption festival mechanism**

Among all the online shopping festivals, Alibaba's Singles Day has managed to become one of the most influential shopping carnivals all around the world, and its successful online promotion strategy is mainly the biggest reason [5]. According to Syntun, the aggregate online sales volume for the 2023 Double 11 Shopping Festival soared to 1.1386 trillion yuan, witnessing a year-on-year growth of 2.08% [2]. By gathering a large number of merchants and products, and carrying out large-scale aggregated promotions including price discounts, coupons, red envelopes, free shipping, gifts and other promotional activities within a limited time, online shopping festivals have greatly stimulated public participation and consumption enthusiasm.

### 3.2. Advantages and shortcomings of comprehensive e-commerce

The development of e-commerce stimulates the multidimensional upgrading of the sustainable traditional foreign trade model. It provides consumers with attractive products with competitive prices and a wide range of products, greatly shortening the time and space distance between consumers and suppliers [7]. As mentioned before, the emergence of online shopping has greatly facilitated consumers, enabling them to enjoy shopping experiences anytime and anywhere only through their mobile devices, not limited to the business hours of traditional stores, shopping locations, weather conditions and traffic conditions that mainly affect consumers' offline shopping. Unlike this way of doing e-commerce, online shopping has been popular for more than ten years and has gradually formed a complete and mature legal system and process, that can not only better protect the rights and interests of consumers from infringement, but also the legitimate rights and interests of stores.

However, comprehensive e-commerce also has many problems. Unlike physical stores, because the information is delivered remotely, there are limited formats for displaying tangible product features and functions when the information is conveyed remotely. Because the characteristics of the product cannot be fully transferred to the online shopping environment, product uncertainty, especially in terms of product quality, may be exacerbated [8]. In terms of fashion and apparel products particularly, offline customers can directly try the style and size, and check the quality of clothing before checkout, while online customers can only know the product based on the detailed introduction displayed on the product web page and the comments of some customers who have purchased the product, and they may not be able to buy the suitable product before the product is mailed and tried on. Instead, it requires the customer to bear a certain amount of risk. For example, a series of problems, such as finding that the color or size of the product is not consistent with the description of the product, the quality of the product is not suitable or, the version of the product is not suitable, will not only damage the customer shopping experience, but also bear the high return rate and other factors affecting the credibility of the store. At the same time, when it comes to food, the problem of online shopping may be more worrying. Like fruits, vegetables and other fresh food, consumers need to bear the collision damage, corruption and deterioration caused by the transportation process, and compared with clothing goods, fresh goods such as the above situations are more conducive to consumer return and exchange, which undoubtedly damages the rights of consumers and increases the cost of consumers. In addition to the problem of misshipped goods like clothes, consumers also need to worry about whether the goods are expired, whether they are damaged during transportation and other quality problems.

## 4. Discussion between the two different patterns

In recent years, as consumers' habit of online shopping continues, both the traditional e-commerce model based on social media and the live e-commerce model combining live e-commerce and interactive experiences have injected strong impetus into online consumption, and online consumption has grown steadily. Based on Accenture's data analysis report on the 2023 Double 11 Shopping Festival, data from the National Bureau of Statistics show that from January to September 2023, China's online retail sales reached 10.8 trillion yuan, with a year-on-year growth of 11.6%. Among them, online retail sales of physical goods accounted for 26% of the total retail sales of consumer goods, and the retail sales exceeded 9 trillion yuan. Online growth is higher than in the overall consumer market. Take the live-streaming e-commerce model as an example. In the first three quarters of 2023, China's e-commerce sales reached 1.98 trillion yuan, a growth rate of more than 60% [9]. In terms of the gross merchandise volume (GMV) share of each e-commerce state in 2023, the data show that the proportion of comprehensive e-commerce is more than 50% compared with that of live e-commerce, which is in the second place, accounting for 73.3% and 23.1% respectively

[10]. Comprehensive e-commerce still occupies a large share of the market and is in a dominant position. In terms of sales growth, the 60% growth rate of live commerce during the 2023 Double 11 Shopping Festival is far higher than the 2.08% growth rate of comprehensive e-commerce. It can be seen that the growth of comprehensive e-commerce has gradually slowed down in recent years, and consumers are gradually more inclined to emerging fields such as live e-commerce. In recent years, the mechanism of the Double 11 of comprehensive e-commerce has become increasingly complex, and the public may feel tired of and then pay less attention to the Double 11 activities launched by comprehensive e-commerce.

## 5. Conclusion

In conclusion, with the development of e-commerce, the forms of e-commerce are also developing in the direction of diversification. Because live streaming can shorten consumers' shopping time and make shopping more social at the same time [6], live streaming e-commerce has cleverly introduced the function of real-time information interaction into traditional e-commerce, forming a novel and popular shopping method of live streaming with goods. Live commerce also has great potential to stimulate consumption growth, as evidenced by its sales growth of 61% in the first three quarters of 2023 [9]. And considering consumers' perceptions of uncertainty in product quality and live streaming costs, e-commerce companies that adopt live streaming are more likely to sell high-quality products [11]. In terms of comprehensive commerce, it also reflects its mainstream position in the field of e-commerce through its increasing sales year by year. In recent years, with the slowdown of its growth rate, it has also reflected the effective diversification of e-commerce. As a field that is more frequently used by people in daily life, enterprises in the integrated e-commerce industry could make progress while maintaining stability and attract more consumers through innovation and other means so as to continue to empower the sustainable development of e-commerce.

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