

Research on the Nature of E-commerce and Criticism

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Abstract: E-commerce, the online buying and selling of goods and services, has revolutionized consumer behavior through technological advancements, enabling shopping from any location at any time. An outstanding development in this field is live stream e-commerce, which combines live video streaming with online shopping. This approach allows streamers to showcase products, engage with consumers in real-time, and drive instant sales. By leveraging the widespread use of technology and the appeal of real-time interaction, live stream e-commerce offers a dynamic and convenient shopping experience, eliminating the need for consumers to leave their homes and eliminate time waste. This paper introduces the function, the use and the purpose of streaming services and criticism of purchasing products online.

Keywords: E-commerce, Product, platforms.

1. Introduction

E-commerce refers to the purchase and sale of goods and services through the Internet. Because of advancements in human technology, it has transformed the ways people buy items. It allows customers to shop from anywhere at any time by simply using human technology. Live stream E-commerce combines live video streaming and online shopping. In this strategy, streamers use live streams to show their products, connect with consumers in real-time, and generate immediate sales.

This strategy takes advantage of the popularity of technology and real-time participation to provide a dynamic and easy purchasing experience when people don't even have to leave the house to purchase an item.

According to previous research, studies have researched on the impact of live streaming on consumer purchasing behavior, emphasizing the significant role of influencers and real-time engagement and how this strategy can boost sales significantly. [1] Researchers have also investigated the operational concerns that live e-commerce platforms, such as supply chain management, quality control, and regulatory compliance. [2] Research has also studied the operational concerns that live e-commerce platforms, such as supply chain management, quality control, and regulatory compliance. Researchers have also studied the psychological aspects of live e-commerce, how the way streamers act, and the social interaction of live streams can influence consumer trust, engagement, and decision-making processes. [3]

2. E-commerce and Live Stream

2.1. What is live e-commerce

Live e-commerce is a type of online shopping that involves influencers hosting live video streams in which they present and demonstrate the uses of their products to viewers online and why they are better compared to other products. This idea uses the growing trend of social media to promote their product. In live e-commerce, presenters showcase products, walk viewers through their features, respond to questions, and convince them to buy at a low price with live video. Through chat, viewers can engage with the host and other viewers, ask questions about the products, and occasionally lower the price of the product. People can make comments about how they view the product under the section as well. In nations like China, where websites like Alibaba's Taobao Live and Douyin have gained popularity, which helps merchants gain a large amount of income, it is a more convenient way for customers to buy what they need.

2.2. Where you can find streaming services

Platforms for live streaming can be found inside an app store or on a website. Users can download and use online streaming apps, communicate with content providers, and interact with other users. Furthermore, several social media sites and apps also have live streaming capabilities inside of their apps and are operated by the users, which enables them to advocate their products and sell them online.

2.3. How customers can use live stream services

There are multiple elements in the streaming platform designed to make the live stream more engaging to customers. On a live streaming page, you will see the chat window where the viewers can interact with the host in real-time through chat and emojis. Viewers can donate money or send gifts to hosts to support them. Viewers can also press the share button to share the stream with others on social media and texting. It will also have a display showing the number of people on the stream to show the popularity of the hosts.

2.4. Different kinds of streamers in the streaming industries

In live streaming platforms, there are companies that use live streaming platforming to show their product, interact with consumers and promote their brand, they would also hire host to expand the popularity of their product. Also, live streaming platforms have product hosts who promote various brands and sell products through live streams. They engage with viewers and demonstrate products to them and answer audiences' questions. Some platforms also try to boost user engagement with audiences by creating daily activities, having collaborations with other broadcasters... By grabbing consumer's attention like this, it can help hosts increase the number of viewers and increase profits.

2.5. Most popular streaming services

Around the middle to late 2010s, live streaming started to take off, Platforms like Huya, Douyu, and YY Live dominated the Chinese market. Whereas YouTube Live and Facebook Live became more well-known for their more varied content. Twitch became the main force in live broadcasting linked to gaming in the West. Tiktok expanded its platform to live stream and sell products. Douyin also allows influencers to engage with their audience and promote their products to customers.

2.6. Export/import

Export/import provides benefits to live streaming platforms and content creators, such as increased market reach, multiple revenue streams, and access to new resources. Exporting content to international markets allows platforms and producers to reach a larger audience, resulting in higher viewing and revenue prospects. Also, importing information from diverse places promotes cultural interaction, diversity, and exposes people to a wide range of viewpoints and content types. Collaboration opportunities between creators and platforms across borders result in new content production and mutually profitable collaborations, whilst access to foreign talent and resources enriches the platform's programming and improves overall quality.

2.7. China/foreign difference

There are some key differences between the live-streaming scene in China and other countries. With sites like Douyu, Huya, and Kuaishou dominating the market, live streaming has become a major part of daily life, entertainment, and business in China. China leads the world in live commerce, where influencers use live broadcasting to market products and increase sales through the platform. According to research on live streaming commerce [1], this live commerce phenomenon is less prevalent in many other nations, where e-commerce and live broadcasting are frequently more distinct entities. Furthermore, there is a significant focus on gaming, entertainment, and lifestyle material catered to Chinese consumers on Chinese live-streaming sites, which may have different content and cultural tastes than those in other nations. Regulations also play a significant role in shaping the live streaming landscape in China, influencing content moderation, platform operations, and user behavior to a greater extent than in many foreign markets.

2.8. Live Stream during the pandemics

Live streaming had a notable growth worldwide during the COVID-19 pandemic, functioning as an essential medium for entertainment and business. Live streaming provided a sense of community in the face of social distancing measures by facilitating social interaction through virtual events, concerts, and gaming streams for those confined to their homes and yearning for virtual connections. Businesses and influencers also started using live streaming for e-commerce, using it as a way to present products, give demos, and interact with customers in real-time—all of which increased income and sales.

3. Conventional and live e-commerce

In contrast to traditional e-commerce, live e-commerce allows for real-time communication between influencers and their audience, which allows consumers to ask questions and interact with the host. During the interaction, the host uses their own experience to show why their product is useful and demonstrate the function of the product, so consumers won't need to figure out the function themselves. Other than that, consumers can send in chat and interact with the host just like they would in real life, but without physically being there. Live e-commerce offers a more diverse shopping experience, in contrast to traditional e-commerce platforms, which mainly rely on static and give consumers ads. Viewers can actively participate, ask questions, receive prompt responses, and see the function of the product, which can create a greater sense of trust than conventional e-commerce.

3.1. Is it beneficial for all kind of product appropriate for live e-commerce

A variety of factors determine whether a product is appropriate for live e-commerce, but in general, live streaming platforms can provide a good demonstration for a wide range of things. However, due

to their nature or target audience's preference, some products could be less popular or nonexistent on live-streaming platforms. Products that have a specific target market may not appeal to a broad audience, and huge, like furniture or appliances may be difficult to present well on a live stream. Additionally, typical retail settings where customers may sample items before buying them may be more beneficial for products that need to be fitted or touched physically, like clothing or cosmetics.

3.2. Price difference

By offering exclusive deals and discounts, it will encourage consumers to stay longer and keep them more engaged. For example, live streams create time-limited offers that are not available during normal times but the price only available during the stream. This will encourage customers to purchase the product immediately because customers feel like they are getting a deal that they are not getting during other times. This strategy effectively converted viewers into buying these products and eventually led to higher sales during the event.

3.3. Live e-commerce has a stronger connection with short video eco-system

Short videos can be a way for influencers to gain fans and followers first, engage with fans, and gain trust with customers. Eventually, the influencers transition from creating short videos to hosting live-streaming events where they can sell their products and interact with audiences. The trust created through short videos can help people post about the product more easily and create a strong connection between them. Familiarity with their audience can make them effective in the market. According to article by Nan Chen [2], if an influencer starts to post videos about their products, it is going to help viewers familiarize themselves with the product they are selling. For example, if a content creator is trying to sell make-up, she is going to go out on the makeup and advocate how good the makeup is, which provides good content for the viewers to encourage them to buy it. The familiarity and trust that influencers build through their short videos make them highly effective because they lead to a significant sales rate. People prefer quick content that can capture an audience's curiosity. Influencers tend to use eye-catching short videos to promote their product because people nowadays tend to watch fast-paced videos instead of reading a long text introducing the product.

3.4. Compare Taobao before and after live e-commerce

One of the biggest online e-commerce platforms in China, Taobao, was mostly a traditional e-commerce platform where it displayed items and sent ads to consumers. Consumers would click on these ads and base their choices on the opinions and ratings left by other users, deciding whether the products they were looking for were in good condition or not and making the purchase based on that. This is a very inefficient way to convince consumers to buy products. According to Alizila[3], the introduction of live e-commerce, however, caused Taobao to undergo a major increase in purchase rates and income. With the introduction of Taobao Live, merchants can now hold live streams to show their products, engage viewers in real time, and increase sales with interactive content, promotions, and demonstrations. This change brought a more dynamic and engaging purchasing experience for customers. Taobao Live gave hosts the ability to showcase their goods, respond to questions, and establish trust among all the consumers.

4. Hosts

4.1. How stars and influencers influence consumers' behavior

Big Brands use established brandings and reputations to draw consumers to which they can sell their products. They would invite stars and celebrities from different fields to interact which can help draw

fans and enhance viewership and engagement because it attracts their fans and boosts audience sizes. The interactions between stars and fans create a good atmosphere for future streams too. Furthermore, the Wharton School's research into marketing psychology [4] reveals that when they see their favorite celebrities endorsing a product, they will purchase the product to support their favorite celebrity. This strategy helps with the immediate effectiveness and drives the sales in an upward trench but also strengthens the brand's popularity toward people. By providing KOL, it builds a reputation and trust with the audiences during the time which can eventually lead to credibility to the brand and increase consumer trust. Also collaborating with KOLs can be more effective than traditional advertising methods in the long term. Generally, with traditional advertising, nobody would actually take the time to read the advertisement, however, if it's host that actually can engage with the audiences and show the audiences their product, it gives the product a more significant impact to the product.

4.2. Product host: various brands/various sector

Product hosts play an important role in live-streaming e-commerce by using their knowledge and social skills to attract a variety of audiences. These hosts are usually professionals from the respective brand hires who offer professional explanations, comparisons, and live demonstrations of many products from various manufacturers. They are going to compare items across brands and demonstrate why the brand he advocates is the best one of all. Interactive elements like real-time Q&A sessions enable hosts to answer audience queries and concerns, increasing trust and engagement. Product hosts can respond to a wide range of consumer interests by displaying a variety of products and emphasizing their distinct attributes, making the live stream more interesting to a larger audience, which ultimately drives higher engagement and conversion rates. Traditional sales and online e-commerce fulfill a similar role because they are both trained to provide expert knowledge about various products. They demonstrated the benefits of items from different manufacturers that helped viewers choose the best option. However, online e-commerce targets a wider range of customers because of the setting of e-commerce. Every streamer has a number of fans that is way more than the number of buyers at offline sales, which increases the profit of the respective product.

4.3. KOL

Key opinion leaders (KOLs) use their personal fame to maximize their influence and bring fame to their respective products. Also engaging with their supporters to grow their following. During their live-streaming sessions, these influencers generally promote a variety of businesses and items. KOLs strengthen the connection and intimacy by engaging with viewers in real-time, answering questions, and sharing personal stories. These personal connections build viewer trust and make them more open to the things being advertised. KOLs' numerous product offerings provide broad appeal. As KOLs demonstrate and support products, their popularity contributes to sales. This dynamic not only boosts immediate sales but also sustains long-term loyalty and engagement with the influencer, benefiting both KOL and the brands they promote. Importantly, the products they promote are not limited to a single brand, allowing KOL to reach a wide range of audiences. This dynamic not only boosts immediate sales but also creates long-term loyalty and engagement with the influencer. It's important to note that KOLs have contractual relationships with the companies whose products they sell; they are not employees of these companies that he is trying to advertise.

Jeffree Star is a well-known beauty influencer from the United States who began his career on YouTube and Instagram. First, he is an influencer who offers makeup tips and product reviews. As his celebrity rose and he established a solid fan base, he established his own makeup line, Jeffree Star Cosmetics. By using his fan base, who are interested in seeing him put on make-up and listening to him offer tips, Jeffree now promotes his products through several media, including live streaming on

Instagram. According to Forbes and Business Insider [5], his live sessions have generated significant sales, indicating his success as both a Key Opinion Leader (KOL) and a product host. This shows that e-commerce can be a great success because of his solid fan base first, and then by supporting his own brand, Jeffree easily connects his influence with his business because of the trust he produces with his fan base. Seeing how successful Jeffery Star is when doing make-up, fans would build trust with him, which would increase sales for his own brand.

4.4. Becoming influencer due an event

Being an influencer from a societal event can also lead to increased fame. Jiang Ge's mother, for example, became famous not as a social media influencer or product seller, but as a result of a tragedy that is related to her daughter's death, Jiang Ge, a Chinese student studying in Japan, was murdered in November of 2016 [6]. The incident received media attention because of the terrible nature of the event, as well as the sympathy from people due to the circumstances related to her death and her friend's lack of help throughout the murder. Through social media and live streaming, she posted updates, talked about the pain she had to go through every day, and earned popularity among the public, ensuring that this case received the attention that was needed. Because of this popularity, brands and products began to approach her for advertisement because of the wide range of audiences she has in her live streams. And by selling these products, it showed great success and helped her gain a great amount of economic stability after she used all her money for the lawyers in her daughter's case.

5. Criticism

5.1. Rights

One of the main criticisms of live e-commerce is the difficulty of exercising their rights when buying these products online. Since all these transactions are always through influencers and not directly from the merchants themselves, it would be hard for consumers to exercise their rights. Resolving consumer rights like exchanging, refunding, and making returns can be complicated. Because of this, customers would lack the support they need, which can leave them feeling frustrated when they encounter problems with purchases. Also, buying things on a platform normally means the transaction of buying the product takes place outside of the platform, which lacks security. This action can cause the loss of the buyer's account and the security of the buyer's bank account and personal information.

5.2. Discrepancy

The discrepancy between the real product and the actual item received by consumers can have a large difference. Influencers always use special advertising techniques and different lighting to promote their respective products, which can attract more consumers to purchase this product and show them why it is better than others. According to article by Feng Liu [7], Consumers would believe what they see on stream and purchase the product based on the special advertisement technique that the streamer uses to promote their product. However, because consumers have high expectations through these live streams, they are going to expect a high-quality product. Because of this, they fall short of expectations during these live streams, and the quality and features presented there don't match, which can lose trust for consumers. In live e-commerce, consumers also face quality issues. One key reason is that the seller prioritizes quantity over quality, which sometimes prioritizes the time to produce this product and volume over the quality of the product, which can lower the condition of the product. Furthermore, how fast live e-commerce can be might make it difficult for buyers to completely view and understand a product before purchasing since they rely primarily on the host's reliability and the

minimal information offered during the live session. However, traditional e-commerce has product descriptions, customer reviews, and ratings that provide a deeper view of the product's quality and performance. Furthermore, the standards of production in live e-commerce might not be standardized and have low quality, which makes the quality of the product inconsistent in general. As a result, consumers frequently encounter issues, such as receiving items that do not match the descriptions, which leads to customers returning the product.

6. Conclusion

Nowadays, e-commerce has become an important component of our lives. Overall, live e-commerce provides significant benefits by making purchasing more accessible to people without physically going to places, but it must also be carefully considered in terms of disadvantages. Future research should focus on understanding human behavior and psychology in real-world e-commerce environments, as well as investigating what we can do to make this industry better and more reliable for humans. By addressing these areas, the live e-commerce ecosystem can be better understood and improved for both consumers and businesses, which can lead to improvement for both. This article introduces the live stream and e-commerce ecosystem, explaining the benefits and difficulties of the products sold on live e-commerce platforms to consumers and how they may benefit from them. E-commerce can be beneficial because it offers exceptional convenience and a greater range of options to consumers, boosting the shopping experience without physically being there. However, quality difficulties and the possibility of less informed purchasing judgments are significant drawbacks.

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