

Live Streaming E-commerce Economy from the Perspective of Behavioral Economics

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Abstract: From the perspective of behavioral economics, livestreaming e-commerce economy shows unique consumer behavior patterns and industry development trends. Live streaming e-commerce has effectively stimulated consumers' purchase desire through strategies such as instant interaction, content seeding, and time-limited discounts, but it also causes problems such as decision-making bias and impulse consumption. Consumer psychology, such as framing effect, selectivity bias and anchoring effect, is particularly significant in the livestreaming e-commerce environment. These factors work together in the decision-making process of consumers, making them vulnerable to the influence of anchor guidance, public opinion and price discount, and making irrational or wrong purchase decisions. Therefore, multi-party efforts are needed to promote the healthy development of livestreaming e-commerce economy. From the perspective of consumers, education and guidance should be strengthened to enhance consumers' rational shopping ability and information screening ability; From the perspective of merchants, they should pay attention to product quality and brand building, and avoid over-reliance on price wars and false propaganda. From the perspective of supervision, relevant laws, regulations and regulatory mechanisms should be improved to strengthen the supervision of the livestreaming e-commerce industry to protect the rights and interests of consumers and market order. At the same time, promoting industry self-discipline and standardization is also an important way to promote the healthy development of livestreaming e-commerce economy.

Keywords: behavioral economics, e-commerce economy, live streaming.

1. Introduction

According to the 2023 (I) China Live Streaming E-commerce Market Data Report released by the E-commerce Research Center of Net Economy and Social Security, the market size of live streaming e-commerce in 2023 has reached 199.16 billion yuan, with 520 million users, about 3,830 yuan of per capita consumption and 23,000 enterprises. Although the market size has declined compared with last year, with China's economic recovery and the continuous development of mobile Internet and e-commerce infrastructure, there is still a huge potential for the development of live e-commerce.

In recent years, the close combination of traditional e-commerce and network live broadcasting has given birth to a new economic form, live delivery of goods, which has become an important force driving economic growth. Through the traffic advantage of live streaming platform and the transaction function of e-commerce platform, live streaming has achieved a new breakthrough in

online sales. The mode of live-streaming has effectively promoted the improvement of consumers' purchase intention, thus promoting the growth of e-commerce sales. With the continuous expansion of the user scale, live shopping is playing an increasingly important role in China's economy[1]. Therefore, in the context of live streaming, consumers' purchasing behavior has always been an important topic in the field of business and market research, which has received extensive attention and research. According to the study, consumers' purchasing behavior and its influencing factors under the direct selling mode of agricultural products by constructing a bivariate Probit regression model[2]. And discussed from the Angle of consumer demographic impulse the buying behavior of consumers post-purchase satisfaction, found the impulsive nature, gender, regional satisfaction there was no significant difference after the impulse purchase, suggest that enterprise should use external factors stimulate impulse buying behavior[3]. Next, the research on the influence mechanism of online review on consumers' purchase intention, and emphasized the importance of online review in consumers' purchase decision[4]. Also the dimensions of perceived risk in the Internet shopping environment and analyzed the contribution rate of each dimension of perceived risk to the overall risk by using interview and questionnaire methods and structural equation model[5]. Consumer buying behavior research involving multiple disciplines, including psychology, sociology, economics and marketing, etc. These disciplines conduct in-depth research on consumer purchasing behavior from their own perspectives to reveal the psychological mechanism, social influence and economic motivation behind it. In the field of economics, the study of consumer purchasing behavior focuses on the economic decision-making process of consumers, including budget constraints, price sensitivity, alternative evaluation and other aspects. At the same time, factors such as market structure and competition conditions also affect consumers' purchasing behavior.

These studies not only help to reveal the internal mechanism and influencing factors of consumers' purchasing behavior, but also provide an important basis for enterprises to formulate market strategy and product strategy. For example, how to use the Framing Effect to analyze the influence of different speech techniques of anchors on consumers' purchase intention, how to use the Anchoring and Adjustment effect to analyze why different marketing strategies can increase sales, How to use Representativeness Bias to establish the so-called monopoly of big hosts are all important issues that help us understand and optimize the economy of live streaming e-commerce.

2. Research hypotheses

2.1. Emotional factors

When consumers watch live broadcast, they are not only affected by the characteristics of the product itself, but also likely to be affected by the emotions of the anchor, such as the affinity and trust of the anchor. Taking Li Jiaqi, a well-known e-commerce anchor, as an example, he not only shows the function and use effect of the product, but also stimulates the emotional resonance of consumers through vivid language, exaggerated expressions and real trial experience. For example, when jia-qi li to recommend a new lipstick, he will be described in detail, texture, color effect after using story even used this product to share their feelings, such as "this lipstick makes me feel confident, as if returned to the time of first love". This kind of emotional expression greatly enhanced products for consumers in emotion recognition, thus promotes the purchase decision. In addition, there are two related theories in psychology that can support this hypothesis

Affective response theory: According to affective response theory in psychology, when people receive information, they will produce cognitive response and emotional response, and cognitive response will enhance emotional response. In live electrical business, consumers by watching the presentation and interpretation of the host, the formation of the cognition to the products, then these

cognitive information will trigger consumers' emotional responses, such as love, trust, look forward to, will affect their buying decisions.

Social identity theory, social identity theory is that people tend to through the imitation and follow with similar to their own or a respected group to gain social approval. In live electrical contractor, the host often have a lot of fans and followers, they recommend and purchasing behavior will form a kind of social identity effects, prompting other consumers purchase intention, especially when the host through the emotional expression of their preferences and recommend, the effect is more significant, therefore, Assumes that the emotional factors in live electricity plays an important role in purchase decisions. To sum up, Hypothesis 1 is proposed in this paper.

Hypothesis 1: live electrical contractor in the economy, the emotional factors is strong affect consumer buying decision variables.

2.2. Identification and conformity psychology

In live-streaming e-commerce, the interaction between viewers and the guidance of anchors may lead to social identification and conformity. According to social identity theory, individuals tend to pass will be classified as a group, in order to obtain a sense of belonging and identity. In live electrical contractor, the audience by mimicking the behavior of the other audience (e.g., to buy the same products), to strengthen themselves with a particular social group, such as user groups to buy this product, to obtain the psychological satisfaction. And conformity in the live broadcast of the application of electricity, can be explained by "flock effect". When individuals see something everyone else is doing, would tend to think that it is correct or is worth doing, so as to follow the behavior of most people. In live electrical contractor, the host by showing other audience's purchase behavior (such as order screenshots, purchase review, etc.), and to set limited-time offers, build give a kind of "everyone is buying" atmosphere, causing the audience a herd mentality, encouraging them to make a purchase decision. To sum up, Hypothesis 2 is proposed in this paper.

Hypothesis 2: In the livestreaming e-commerce economy, identification and conformity psychology are strong variables that affect consumers' purchase decisions.

2.3. Immediacy and interactivity

Live e-commerce is instantaneous and interactive. Promotional means such as limited-time offers and limited-time snaps are often set up during live streaming. This sense of urgency encourages consumers to make purchase decisions in a short period of time. For example, the anchor will say: "There are only 10 pieces left for this product, so please hurry up and place your order!" This kind of instant promotion stimulates consumers' impulse to buy immediately, and they place orders quickly for fear of missing out on the offer. In addition, the interactive nature of live streaming e-commerce enables consumers to interact with hosts and other viewers in real time, and this sense of participation makes consumers more engaged and focused. For example, viewers can make comments, ask questions, and give likes in the bullet screen, and anchors will respond and answer in a timely manner. Such instant interaction not only enhances consumers' sense of participation, but also improves their shopping experience. Moreover, there are relevant theories and literature to support this hypothesis.

Cognitive psychology: When consumers face a large amount of product information and immediate promotion means in live streaming, their cognitive process may be disturbed and simplified. They may be more inclined to rely on intuition and emotional reactions to make purchasing decisions.

Empirical studies: Several empirical studies have shown that immediacy and interactivity in live e-commerce have a significant impact on consumers' purchase decisions. For example, studies on the influencing mechanism of consumers' impulse buying behavior in e-commerce live streaming have

pointed out that instant interaction and limited-time offers in live streaming are important factors to stimulate consumers' impulse buying behavior.

In summary, Hypothesis 3 is proposed in this paper.

Hypothesis 3: The immediacy and interactivity of live e-commerce are strong variables that affect consumers' purchase decisions.

2.4. Trust relationship

The credibility, professionalism and past reputation of the host will affect the consumer's trust in the product, and then affect the purchase decision. Taking Zhang Kaiyi, a well-known e-commerce anchor, as an example, she has not only displayed a large number of products through long-term live broadcast activities, but also gradually established a deep trust relationship through professional product analysis, real trial experience and high-frequency interaction with consumers. When consumers watch Zhang Kaiyi's live broadcast, they will be more inclined to buy the products recommended by her based on their trust in her. The establishment of this trust relationship has greatly improved Zhang Kaiyi's ability to deliver goods through live streaming, and also promoted the enhancement of consumers' purchase intention. There are relevant theories to support this hypothesis.

Trust theory: Trust is one of the important factors that consumers consider in the purchase decision process. In live-streaming e-commerce, the trust relationship between consumers and hosts is mainly based on the professionalism and integrity of hosts and the quality of interaction between them. When hosts show high professional quality, sincere attitude and good interaction ability, consumers are more likely to have a sense of trust in them, thus enhancing their purchase intention.

Perceived trust theory: Perceived trust refers to the degree of trust consumers have in sellers or products based on their subjective feelings during the purchase process. In live streaming e-commerce, consumers form perceived trust in hosts and their recommended products by watching their live content, participating in interaction and learning about other consumers' comments. This kind of perceived trust directly affects consumers' purchasing decisions, making them more willing to buy the products recommended by the hosts they trust.

In addition, Wei Jianfeng, Li Mengna and Liu Baoping pointed out in the article "The Influence of anchor characteristics on Consumers' impulse purchase Intention in E-commerce live Broadcast" that perceived trust plays an intermediary role between anchor professionalism, interactivity, popularity and consumers' impulse purchase intention. Specifically, by demonstrating their professionalism, engaging in high frequency interaction with consumers and improving their own popularity, anchors can significantly enhance consumers' trust perception on anchors and their recommended products, thus promoting consumers' impulse purchase intention. This research conclusion provides strong theoretical support for the impact of trust relationship on purchase intention in live streaming e-commerce. In conclusion, Hypothesis 4 is proposed in this paper.

Hypothesis 4: In live streaming e-commerce, the trust relationship established between hosts and consumers is a strong variable that affects consumers' purchase decisions.

2.5. Cognitive bias

Behavioral economics argues that people can be subject to cognitive biases when making decisions. For example, related theories in psychology can prove it.

Scarcity effect: the anchor creates a sense of urgency through flash sales, limited sales and other ways, such as "this commodity merchant limited sale of 100, ping-shou speed, 54321 link!" This kind of scarcity will make consumers feel that if they do not buy immediately, they may lose the opportunity, so they will place an impulse order.

Cognitive bias: Cognitive bias refers to some irrational tendencies in people's cognitive process due to the influence of brain processing information mode or the influence of existing ideas. In live-streaming e-commerce, anchors' words and presentation methods use these cognitive biases to influence consumers' purchasing decisions.

In addition, there is relevant literature to prove it. According to "How to Use" cognitive bias "to achieve design goals? Look at the actual combat case of Dachang!" As described in the article, livestreaming e-commerce hosts make full use of consumers' cognitive bias through carefully designed words and presentation methods. According to the article, anchoring effect, conformity effect and scarcity effect are three common cognitive biases in live streaming e-commerce. Anchors guide consumers to make purchase decisions by comparing the original price with the live price and emphasizing the popularity and scarcity of goods. In addition, How much influence does "cognitive bias" have on consumers' purchasing decisions? The paper also points out that marketers can use cognitive bias and psychological guidance to influence consumers' decision-making by combining their cognition of consumer behavior. In live-streaming e-commerce, anchors, as a form of marketers, can also use these strategies to guide consumers to buy. To sum up, hypothesis 5 is proposed in this paper.

Hypothesis 5: In live streaming e-commerce, consumers may be influenced by some words and presentation methods of hosts, resulting in cognitive bias, and thus make purchase decisions that do not meet their real needs.

3. Theoretical framework

3.1. Framing effect

Richard Taylor, in his early study of consumer behavior, describes A debate -- at gas station A, gasoline sells for \$5.6 per liter, but you get a discount of \$0.6 per liter if you pay in cash; At gas station B, petrol costs \$5.00 a litre but costs \$0.60 a litre more if paid by credit card. Obviously, the economic cost of buying gas from either station is the same. But most people think: Gas station A is more attractive than gas station B. Because, the psychological discomfort associated with buying gas from station A is less than the psychological discomfort associated with buying gas from station B. The reason is that gas station A is associated with some kind of "gain" (with a discount), while gas station B is associated with some kind of "loss" (with a markup). The reason for this difference, the study found, is that when measuring a transaction, people put much more weight on the "loss" than on the equivalent "gain." Therefore, when conducting price setting or promotion, enterprises should associate it with "gain" rather than "loss", so as to effectively motivate consumers' purchase behavior.

Similar applications can also be seen in the live e-commerce economy:

1. Promotional talk

In the live broadcast room A, the presenter's words are: on weekdays, each cosmetics sells 500 yuan, but if you place an order today, you can get a discount of 50 percent from 500; In Studio B, they sell cosmetics for 450 yuan each, but if they buy them after today, they will pay 50 yuan more. Obviously, the economic cost of buying gas from any gas station is the same. But most people think: Booth A is more attractive than Booth B. Looking at B without the words of Studio A, it is uncomfortable at first sight. There is a psychological illusion that the money is somehow deducted. There is a sense of resistance that the studio or the product is forcing them to pay 50, but they can't see that today's discount can only focus on the extra cost.

In studio A, and B is the same preferential policies, but in this passage we feel aversion from the buckles money, but can focus on the welfare of the purchase today. This is what the merchants want to see. Therefore, most anchors will emphasize today and welfare many times, and the use of these two words is to isolate the negative impact of loss.

2. Product promotion

Anchor through specific framework to attract consumers' attention, and influence their buying decisions. For example, a cosmetics advertisement may highlight the skin care function of a product and ignore the comparison with other brands, thus leading consumers to believe that the brand's products are superior to other brands.

This is particularly true in the field of cosmetics brands. A brand once took "one-click peeling" as the main selling point of their powder products, and all consumers felt that there was no problem, and even felt that the product was the best in terms of peeling effect of similar products. But in fact, the basic effect of the powder is the grinding of the skin, which belongs to the basic ability of each powder, does not belong to the distinctive point of the product. Why didn't say he compared with similar products of can give consumers the psychological illusion, this is the frame of magical function, emphasizes the advantages to ignore the disadvantages.

3.2. Anchoring effect

Anchoring, Anchoring effect) refers to when people need to make quantitative estimates for an event, will certain numerical as the initial value, the starting value like anchor restricts the estimated value. When making decisions, people unconsciously give too much weight to the initial information they get.

For example, there is a famous experiment on the anchoring effect. Two groups were respectively for 1 to 10 multiplication and 10 to 1 multiplication estimate, in five seconds. The volunteers in the second group made more guesses than those in the first group, and that's where the anchoring effect comes in.

Other specific experiments of the anchoring effect will not be elaborated, but the anchoring effect has also been used as an important booster for contemporary live e-commerce to increase sales.

1. There is always a crossed out original price next to the current price of the corresponding modified commodity

We often hear about the welfare mechanism launched by the XXX anchor, such as reducing the original price of 198 yuan to 98 yuan for sale. The price change nature caused the great interest of consumers, they tend to be attracted by a significant discount, order thus and quickly. This reflects the anchoring effect in behavioral economics, that is, consumers focus more on the 100 yuan they can save when buying a product, and less on whether the product itself is really worth 98 yuan, or even the original 198 yuan value.

In this case, the original price of CNY 198 acts as an anchor, which has a significant impact on the consumer's purchase decision. In order to maximize the anchoring effect, or more directly, to increase the profit of the manufacturer, this anchor point, namely the original price, is often constantly raised. Even if consumers notice that the price of the product has increased year by year, but the quality has not improved or even decreased, they may still be affected by the anchoring effect in the price promotion, and it is difficult for them to resist the impulse to buy.

2. Big gift boxes and small gift boxes

Gift boxes have been widely used before the popularity of live e-commerce economy, such as fruit baskets, which put good and bad fruits together and sell them, and the price may be higher than the sum of the unit price. At the beginning of the popularity of live e-commerce economy, this method has also been used to sell beauty products, lipstick gift boxes, eyeshadow plate gift boxes emerge one after another. However, all kinds of gift boxes are rarely sold separately.

The most common is that large gift boxes and small gift boxes are sold together, and the price difference is often large, but we can usually observe that the sales of small gift boxes are higher than that of large gift boxes. For example, the 1980 20 lipsticks box and 298 3 lipsticks box, obviously the former is more affordable than the latter, so the seller's profit will be correspondingly less and the

sales will decrease. However, hosts often put the most expensive gift boxes on the recommendation page and even mainly promote the product. His concept is also the anchoring effect, that is to say, the main product promoted by the seller is not the 1980 box but the 298 box.

When we pass a luxury store, we will see the so-called classic model is placed in the center, according to common sense, next to the second sales of goods or popular models, but in fact, most of them are cheap new. As consumers, they perceive that this bag is very cheap and they can afford it, which leads to impulse consumption. Similarly, the last example also uses this behavioral guidance logic. They copy the method of luxury goods to the live e-commerce economy. The popularity of the gift box with high cost performance drives the traffic, so that more and more people pay attention to the brand, and then choose a similar but less expensive box to buy in order to save money. At that time people will selectively ignore the necessity of this set of boxes and price.

3, medium, large, large

Sometimes there is a special phenomenon when clicking into the live yellow car, that is, he does not take large and medium as different types, but medium and large. This time inadvertently we anchor point from which to big, and feel as the quantity increase price increases. The earliest use of this behavior was at Starbucks rather than in the e-commerce economy. They changed the size of cups from medium and small to medium and large. The general psychology of consumers is that the cost performance of mid-priced products will not be too low or too expensive, so they will buy large-capacity cups and ignore the original anchor point, which is the psychological price of mid-sized products.

3.3. Selection bias

People tend to divide things into typical categories and then, when estimating the probability of an event, overemphasize the importance of that typical category, regardless of the evidence about other potential possibilities. The consequence of selectivity bias is that people tend to perceive such patterns in data series that are actually random, resulting in systematic forecasting bias.

1. Big anchor monopoly

Representative bias is common in the live-streaming e-commerce economy. For example, an anchor in the past few months to sell the product is good, consumers tend to think the anchor in the future to promote products will also is very good, and trust. However, in fact, the performance of the anchor in promoting products is affected by many factors. It can even be said that the bigger the anchor is, the more likely he is to promote the products that do not match the facts. It is dangerous to over-rely on the past performance to predict the future performance. However, this fixed thinking is difficult to change. Not long ago, Li Jiaqi and Viya were the representatives of cost performance, and consumer psychology is that when buying products, they should go to the live broadcast room of these two anchors. The fixed thinking after two successive accident, find certain products welfare mechanism than other host, even some marketing products without their utility.

4. The existing problems

4.1. Consumption deviation and regulatory challenges

On the one hand, it will lead to the deviation of consumer behavior and increase irrational consumption. Live content of electricity through the grass, the real-time interaction and a variety of marketing tools, use framing stimulate consumer purchasing desire. Young consumers are often more susceptible to such immediacy, interactivity and emotionality, resulting in irrational consumption behaviors, such as impulse buying and excessive consumption. Meanwhile, they are more sensitive to price. Live electrical contractor, anchor often by emphasizing the breaks, flash and other ways to build a sense of urgency, use framing effect to influence consumer perception of price. This may lead

consumers to pay too much attention to the price discount, while ignoring the actual value of the product and the matching degree of demand.

On the other hand, it may lead to disordered market competition, such as cut-price cutthroat competition. In live-streaming e-commerce, some merchants do not hesitate to adopt the strategy of low-price dumping in order to attract traffic and sales. This strategy makes use of the "loss aversion" psychology in the framing effect to make consumers feel that missing out on offers is a loss. However, the long-term low price competition will disturb the order of the market price, compression commodity profit space, and even lead to the phenomenon of bad money drive out good. In order to improve sales and conversion rate, some anchors and merchants will exaggerate the effect of products, make up user reviews or use misleading language to promote. This kind of behavior makes use of the psychology of "positive information preference" in the framing effect to make consumers more likely to accept and believe false information. However, it can also seriously damage consumers' rights and interests and the image of the industry.

It will also challenge and make regulation more difficult. The immediacy, interactivity and decentralization of live e-commerce greatly increase the difficulty of supervision. Regulatory authorities need to face massive live content and complex transaction behaviors, which makes it difficult to achieve comprehensive and timely supervision. At the same time, the framework under the effect of consumer behavior deviation is also increased the complexity of the regulatory and uncertainty.

Lagging laws and regulations: At present, the laws and regulations for livestreaming e-commerce are not perfect, and there are legal gaps or fuzzy areas in some fields. This leads to a lack of effective legal basis and means in dealing with consumer complaints, combating false publicity and cutthroat competition.

In addition, it hinders the healthy development of the industry, such as the damage of brand reputation. Long-term low-price competition and false publicity will seriously damage the reputation of brands and merchants. Once consumers encounter fraud or unsatisfactory shopping experience in the purchase process, they will have a negative impression on the brand, which will affect the long-term development of the brand. The image of the industry will also be damaged, and the healthy development of the live-streaming e-commerce industry needs a good market order and consumer trust. However, low malignant competition, false advertising and consumer behavior deviation would result in grave damage to the industry problems such as image, reduce consumer trust and purchase intention of live electrical contractor.

4.2. Consumption risk under the anchoring effect

Firstly, there will be price perception bias, such as high price anchoring. Merchants may first display a high-priced product in the live broadcast, and then introduce a relatively low price, making consumers feel that the latter is more cost-effective. This strategy takes advantage of the anchoring effect, make the consumer's perception of price produces deviation, may lead to excessive consumption or purchase of unnecessary goods. It may also fall into the discount trap. Promotional means such as discounts and full discounts, which are common in live broadcasting, may also become the "anchor point" of the anchoring effect. In the face of discounts, consumers tend to ignore the actual value of goods, and make purchase decisions only because of the preferential price.

Secondly, they will make mistakes in judging the quality of products, such as the wrong comparison benchmark. In live-streaming e-commerce, anchors may compare their own products with other products in the market, but such comparisons are often subjective and selective. If consumers take such incomplete information as the benchmark, they may misjudge the quality of products. They may also be misled by the brand effect, and the recommendation of well-known brands or anchors may also become the "anchor point" of the anchor effect. Consumers may neglect

careful inspection of the product itself due to their trust in the brand or the anchor, resulting in the purchase of goods that do not meet their expectations.

And they are prone to impulsive spending decisions, such as emotional buying. Marketing strategies such as flash sales and limited sales in live e-commerce are easy to stimulate consumers' purchasing impulses. Under the influence of the anchoring effect, consumers may rush to place orders for fear of missing out on "offers", ignoring their actual needs and budget. Will also fall into social pressure, the air in the atmosphere of interaction and may also become a "catalyst" anchoring. Under the influence of anchors and other viewers, consumers may make purchasing decisions due to herd mentality or social pressure.

Finally, it will damage the rights and interests of consumers, because the problem of information asymmetry in live streaming e-commerce is relatively prominent. It may be difficult for consumers to fully understand the performance, quality, after-sales service and other information of goods, while anchors or merchants may use the anchoring effect to exaggerate publicity or misleading sales. It may also lead to difficult return and exchange. The return and exchange policies of some live streaming e-commerce platforms are not perfect enough. Consumers may find that the goods do not match their expectations after purchase, but give up their rights due to the tedious return and exchange process or high cost.

4.3. Consumer decision-making bias and industry challenges

First of all, it will lead to consumer decision-making bias, information filtering and misleading. When consumers watch live broadcast, they are often affected by factors such as the personal charm of the host, the way of product display and the limited-time offer, resulting in selectivity bias. They may be more inclined to meet their needs or preference information, and ignore those against buying decision information. This bias may lead consumers to make irrational or wrong purchase decisions. In the promotional atmosphere of live e-commerce, consumers are prone to be induced by stimulating words such as "snap up" and "seconds kill", resulting in impulsive consumption behaviors. Selectivity bias makes them pay more attention to the preferential information of goods, while ignoring their actual needs and economic situation, which leads to excessive consumption and financial pressure.

Moreover, it will lead to the distortion of business strategy and intensify the price war competition. In order to attract consumers' attention and increase sales, merchants often adopt the strategy of price war during live broadcasting. However, over-reliance on price wars not only compresses profit margins, but may also trigger vicious competition in the industry. Selectivity bias makes merchants pay more attention to short-term sales data and market feedback, while ignoring long-term brand building and sustainable development. It can also produce product quality problems, and in the process of pursuing sales volume, some merchants may neglect product quality control. Due to the immediacy and interactivity of live e-commerce, it is often difficult for consumers to fully understand the real situation of products. Selectivity bias makes consumers more likely to be attracted by surface factors such as product appearance and packaging, while ignoring the actual performance and durability of products. This may lead consumers to buy products with substandard quality and damage their legitimate rights and interests.

At the same time, the distribution of market resources is uneven, and the monopoly of the head anchor is intensified. In the field of live streaming e-commerce, head anchors have a large number of fans and traffic resources, which makes them have a significant advantage in commodity promotion and bargaining power. Selection bias that consumers tend to focus on the broadcast content of the anchor head, the market concentration resources to a minority of the host. This not only limits the development space of other anchors, but also may aggravate the monopoly phenomenon in the market. Compared with the leading anchor, small and medium-sized merchants are less competitive in live streaming e-commerce. They often struggle to get enough exposure and traffic support, resulting in

poor product sales. Selectivity bias makes consumers pay more attention to well-known brands and hot items, while ignoring the quality products of small and medium-sized merchants. This may lead to an uneven distribution of market resources and further aggravates the operating difficulties of SMEs.

Finally, the healthy development of the industry will be hindered, and consumers will have a trust crisis. Problems such as consumer decision-making bias and business strategy distortion caused by selectivity bias may lead to consumer confidence crisis in the whole live e-commerce industry. When consumers frequently encounter negative events such as false publicity and quality problems, they may have a resistance to live streaming e-commerce and reduce their purchase intention and frequency. It will also increase the difficulty of supervision, that is, the immediacy and interactivity of live e-commerce make it more difficult to supervise. Selective bias makes it difficult for some illegal behaviors to be detected and investigated in time, which brings greater challenges to the regulatory authorities. If the supervision is not effective, it may lead to further problems such as market disorder and damage to consumers' rights and interests.

5. Solutions

5.1. Strengthen supervision

We will strengthen supervision, improve the relevant laws and regulations system, and intensify supervision over the live-streaming e-commerce industry. Establish and improve the supervision mechanism and technical means to improve the efficiency and accuracy of supervision. We will formulate service standards and norms for the live-streaming e-commerce industry, and clarify the responsibilities and obligations of hosts, merchants and platforms. We will promote the construction of self-discipline and integrity management systems in the industry.

We will optimize marketing strategies and guide merchants and broadcasters to adopt more reasonable and transparent marketing strategies and means. Avoid using improper means such as exaggerations and false publicity to mislead consumers. We should improve consumer literacy, strengthen consumer education and guidance, and raise consumers' awareness of self-protection and their ability to spend rationally. We will enable consumers to make more rational and objective decisions during shopping.

5.2. Optimizing the live e-commerce ecosystem

From the perspective of consumers, it is necessary to enhance the ability to acquire information. Before shopping, consumers should take the initiative to collect and compare commodity information from different channels and sources, including price, performance, quality and after-sales service, so as to have a comprehensive understanding of the commodity situation.

Search engines, price comparison websites and other tools can be used to compare the offers and preferential activities of different merchants to avoid being anchored by a single information source. To cultivate rational consumption habits, consumers should establish rational consumption concepts and avoid impulse shopping. Before making a purchase decision, they should fully consider their own needs and budget to avoid being influenced by marketing strategies such as anchor sales talk or flash sales. Learn to distinguish between "needs" and "wants" to avoid buying unnecessary items because of the anchoring effect. At the same time, to improve the awareness of self-protection, consumers should understand and be familiar with the return and exchange policies of live e-commerce platforms, consumer rights protection and other relevant regulations, so that they can timely safeguard their rights and interests in case of disputes. Be wary of goods with unusually low prices or excessive preferential offers to avoid falling into the traps set by merchants.

At the merchant level, operate with integrity. Businesses should adhere to the principle of good faith management, do not exaggerate propaganda, not false promotion, to ensure the authenticity and

accuracy of commodity information. Abide by relevant laws and regulations and platform rules, and maintain good market order and consumer rights and interests. Optimize marketing strategies. When formulating marketing strategies, businesses should avoid using overly exaggerated statements or misleading information to anchor consumers' perceptions. Consumers can be attracted by providing more diversified choices, a more transparent price system, and better after-sales service.

At the same time, the government should strengthen the supervision from the platform level. Live e-commerce platforms should strengthen the supervision of merchants and severely crack down on and punish violations. Establish and improve the complaint reporting mechanism, encourage consumers to give positive feedback on problems, and deal with relevant complaints in a timely manner. To improve consumer experience, live-streaming e-commerce platforms should optimize user experience design and provide more convenient and efficient shopping processes and services. The review and screening of commodity information should be strengthened to ensure that consumers can obtain real and reliable commodity information.

From the social level, we should strengthen publicity and education. Through media, Internet and other channels, we should strengthen the publicity and education of consumer psychology knowledge such as anchor effect, so as to improve consumers' cognitive level and self-protection ability. We should guide consumers to establish rational consumption concepts and habits. Laws and regulations should also be improved. The government should speed up the improvement of relevant laws and regulations to provide a strong guarantee for the healthy development of the live-streaming e-commerce industry. The government should increase punishment for violations of laws and regulations to maintain good market order and consumer rights and interests.

5.3. Evolving the e-commerce ecosystem

First, we should make consumers' decision-making more rational and strengthen consumer education. Through media, social platforms and other channels, we should strengthen education for consumers and enhance their consumption awareness and rational shopping ability. Consumers should be guided to pay attention to the actual value of products, rather than just being attracted by the recommendations or preferential information of anchors. At the same time, provide comprehensive product information. Live streaming e-commerce platforms and merchants should provide detailed and real product information, including product specifications, performance, materials, instructions for use, etc., to help consumers fully understand the product and reduce the decision-making bias caused by incomplete information. It is better to establish a consumer evaluation system, improve the consumer evaluation system, and encourage consumers to share real use experience and evaluation after purchase. This can not only provide reference for other consumers, but also promote merchants to improve product quality and service level.

Secondly, business behaviors should be standardized and supervision should be strengthened. Government regulators should strengthen the supervision of livestreaming e-commerce platforms and regulate the business behaviors of merchants. Acts such as false publicity, exaggerated product effects and sales of fake and shoddy products should be severely punished in accordance with the law to safeguard market order and consumers' rights and interests. We should guide merchants to operate in good faith, encourage them to establish the concept of good faith management, and pay attention to the quality of products and services. Promote healthy competition and common development among merchants by establishing industry self-regulatory organizations and formulating industry standards. To optimize the product supply chain, live streaming e-commerce platforms and merchants should go deep into the supply chain and optimize supply chain management. Through direct cooperation with manufacturers, the establishment of own brands and other ways, improve product quality and cost control ability, reduce the cutthroat competition caused by price war.

Promote the rational allocation of market resources, support small and medium-sized broadcasters and merchants. Live-streaming e-commerce platforms should give more attention and support to small and medium-sized anchors and merchants, and provide help such as traffic support, training and guidance to promote their growth and development. This will help break the monopoly of leading anchors and promote the rational allocation of market resources. We will build a diversified content ecosystem and encourage livestreaming e-commerce platforms to build a diversified content ecosystem, covering anchors and commodities of different fields and styles. This can not only meet the diversified needs of consumers, but also promote diversified competition and healthy development of the market.

Finally, we should improve the level of self-discipline and supervision of the industry and establish industry standards. Industry associations and regulatory authorities should jointly formulate standards and norms for the live-streaming e-commerce industry, and clarify the responsibilities and obligations of hosts, merchants and platforms. This will help improve the overall quality and level of the industry and protect the legitimate rights and interests of consumers. We will use technological means to strengthen supervision, and use big data, artificial intelligence and other technological means to monitor and analyze the operation of live-streaming e-commerce platforms in real time. This will help detect and investigate violations of laws and regulations in a timely manner, and improve the efficiency and accuracy of supervision. Cross-departmental collaboration should be strengthened, and various government departments should strengthen collaboration and cooperation to form synergy in supervision. Jointly crack down on violations of laws and regulations in the field of live-streaming e-commerce by means of information sharing and joint law enforcement to safeguard market order and consumers' rights and interests. When discussing the livestreaming e-commerce economy from the perspective of behavioral economics, it is not difficult to find that this emerging business model has exerted a profound impact on the modern economic system through the deep integration of consumer psychology, behavioral characteristics and economic principles.

6. Conclusion

Through highly interactive and real-time feedback mechanism, live e-commerce effectively utilizes the principles of "instant gratification" and "herd psychology" in behavioral economics, which greatly stimulates consumers' purchase desire. Through vivid product display, trial experience and real-time interaction, livestreamers build a shopping environment full of participation and trust for consumers. This immersive shopping experience not only shortens the decision-making cycle for consumers, but also significantly improves the purchase conversion rate and brings considerable sales growth for merchants.

If live e-commerce can solve existing problems, it can create new job opportunities and promote industrial upgrading, which will have more positive impacts on the macro economy.

To sum up, the live-streaming e-commerce economy from the perspective of behavioral economics, with its unique business model and efficient operation mechanism, has played an important role in promoting consumption growth, optimizing resource allocation, and promoting industrial upgrading. In the future, with the continuous progress of technology and the continuous change of consumer demand, the live-streaming e-commerce economy is expected to continue to flourish and contribute more to economic development and social progress.

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