

# ***The Marketing Strategy of Live Broadcast Based on Consumer Psychology***

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**Abstract.** With the advent of the information age and the popularization of the Internet, the number of netizens is increasing year by year. People are becoming enthusiastic about online shopping. Diversified live broadcast content and types of live broadcast in various ways have gradually formed the development characteristics of interactive network platforms and semi-fragmented viewing, which is in line with contemporary people's pursuit of convenience and efficiency. This article will start from the consumer psychology of the broadcast room. Based on the analysis of three common consumer psychology -- seeking cheap, seeking convenience, following the crowd, this paper analyzes the marketing strategies corresponding to these three psychologies in the broadcast room -- promotion strategy, innovative live broadcast strategy, anchor positioning strategy. There are potential problems behind these marketing strategies. While attracting consumers to consume for them, consumers' rights and interests should be protected to avoid them falling into the traps of these strategies. Cheap commodities need strict control of commodity quality, online shopping in broadcast rooms need to eliminate security risks, consumer psychology needs to correctly guide rational shopping. This paper will describe the countermeasures to be taken to these problems.

**Keywords:** Live Streaming, Marketing Strategy, Consumer Psychology

## **1. Introduction**

With the increasing maturity of video technology and 5G network in Internet technology, as well as the arrival of the Internet-driven we-media era, webcast has become a booming emerging industry. Under the background of the popularity of smart phones and the realization of mobile payment, online shopping is increasingly becoming an important component of people's shopping behavior. This change in consumption behavior has greatly changed the retail industry. The Internet, represented by e-commerce, is proving its powerful power with facts, and online shopping has become the main consumption mode of many people unconsciously. November 11 has changed from a single's Day, which only represents single people, to a nationwide shopping spree. Network broadcast with its entertainment, social and other comprehensive attributes, has successfully opened a new model of commercial marketing and built a new way of life for public. Live online shopping further promotes and expands sales and sales methods. The marketing strategy behind this popular phenomenon is worth thinking and reference. Due to the obvious difference between the e-commerce market and the traditional physical market, "live streaming + e-commerce + Internet celebrity" has become a new business model, which subverts the audience's traditional shopping cognition and brings many

changes to the consumer psychology. This paper will start from three common consumer psychology (seeking honesty, seeking convenience, and following the crowd), on the basis of these three-consumer psychology analysis of network broadcast marketing strategies, and in view of these strategies may exist potential problems, put forward relevant suggestions, and point out the advantages and disadvantages of these marketing strategies.

## **2. Consumer Psychology in Live Streaming**

### **2.1. Cheapness Psychology**

The process of consumer buying behavior is dominated by consumer psychological activities. Inconspicuous-seeking psychology is the most common consumer psychology. It means that consumers hope that the price of goods will be cheap when they buy them. Consumers dominate today's market, understanding and grasping consumer psychology is the key to make the right price strategy [1]. Webcast has been embedded in People's Daily life, and consumers can get relevant information about the required products by entering the required products in the search box. Because of this, businesses can save some publicity and marketing costs that need to be spent in traditional marketing. The reduction of these costs can effectively reduce the price of products, so that consumers can effectively obtain products with favorable prices. For example, live broadcasts on large-scale e-commerce networks such as Singles' Day, Singles' Day and 618 will offer considerable price discounts. Consumers are often attracted by these promotional activities and buy products. The pursuit of high-cost performance is the goal of every consumer.

### **2.2. Convenience and Timeliness**

Consumers are divided into two categories. One is the group with high work pressure and fast pace of life. This part of people usually finishes shopping in a relatively short time. Those with less stressful jobs and a slower pace of life were more likely to spend more time "shopping around". Online shopping meets all their needs, allowing them to compare prices without leaving home. Most people are convenience-oriented, which is a common psychological trait. People can buy products by moving their finger while sitting at their computer or waiting for the bus. It turns a special shopping trip into a good use of spare time and allows people to "outsource" their purchases and ship them home quickly. People just have to make a decision and pay for it [2]. For consumers, they can "go shopping" at home, ordering is not limited by time and place; obtain a large amount of product information, and can buy products that are not available in the local area; online payment is safer than traditional cash payment to avoid cash loss Or being robbed; from ordering, buying to delivery of goods, there is no need to visit the site in person, which saves time and effort; because online products save a series of expenses such as renting stores, recruiting employees, and storing and keeping them, generally speaking, their prices are higher than those of ordinary shopping malls [2]. Similar products are more expensive and more affordable; personal privacy can be protected, many people like to buy adult products online, and it is embarrassing to go to a physical store to buy. This is the psychology of most consumers choosing online shopping.

### **2.3. Group Psychology**

Herd effect: It means that when individuals are influenced by the group (guidance or pressure), they will doubt and change their views, judgments and behaviors, and change in the same direction as the majority of the group. In other words, conformity means "following the herd" [3]. From a perspective, follow the crowd, follow the crowd, because, because, follow, follow, follow the majority, such as more, such as research, it is actually easier to exist in the future. But in the modern world, blindly

following the crowd can leave people wallet empty. In the current popular live broadcast, brand parties tend to create hot selling phenomenon. For example, when the key entries such as "star big V are using good things to share", "good things recommended by tens of thousands of people", "xxxxx has been purchased" are recommended to consumers, consumers tend to produce herd behavior. They want to follow the trend quickly and do not lose at the starting line. The minority obedience psychology affects their purchasing behavior. Many consumers buy products mainly based on their sense of belonging, not only the advantages of the products. They may be more attracted by the young audience, which makes them feel cool after following the crowd. The audience of network broadcast is mostly college students, whose independence and ability to distinguish right from wrong are relatively weak. As a result, they follow the trend in action and lose themselves in thought, which is exactly what many businesses have grasped.

### **3. Marketing Strategy Analysis**

#### **3.1. Network Broadcast Promotion Strategy**

Network broadcast usually has many big promotion activities, as everyone knows the Double Eleven and Double Twelve. Since the first "Double Eleven" shopping carnival launched by Taobao in 2009, the transaction volume on "Double Eleven" has been increasing explosively. Now it has become a landmark event in China's online shopping and the grandest shopping carnival for Chinese consumers, and it is also the peak time for consumption in the whole society. "Double Eleven" originated from Alibaba and is one of Taobao's holiday marketing strategies [4]. These events often emphasize that goods are cheaper than usual, creating a sense that consumers are taking advantage. For example: full reduction (voucher), advance purchase, second kill, group buying, red envelope, invite friends and other promotional means are relatively easy to grasp the consumer psychology. It is interesting to a large extent to Double 11, Double 12 activities pushed to a high level. The "full coupon" or "full reduction" used in promotions can also get consumers to chip in and spend more. For example, when people see "20-yuan cash coupon for 100 yuan", clearly most people only want to buy 80 yuan of things, but still want to choose to buy more, so as to get discount cash back, giving them a feeling of "buy more and earn more". In general, these actions of merchants make consumers feel that they get more discounts and have a better consumption experience [5].

#### **3.2. Innovative Form of Live Broadcasting**

Some time ago, a studio called Oriental Screening became very popular. In this studio, instead of the traditional network phrases such as "family" and "babies", there are English words and English poems. With an unheard-of bilingual live streaming mode, the studio, formerly known as New Orient and now known as "Oriental Selection", unexpectedly became popular, taking a new path in the way of e-commerce live streaming. In view of the "non-substitution" characteristics of mental accounts, using the utility theory of mental accounts, this paper expounds how the bilingual live broadcast strategy of Dongfang Select promotes consumers' desire to purchase advertising products and services. How Eastern Select promoters can improve consumers' acquisition utility and total utility. Secondly, the successful experience of Dongfang Select: the live broadcast industry should use the psychological account theory to effectively overcome the disadvantages of live broadcast marketing by stimulating consumers' desire to buy. And influence their decision-making behavior through the stream of content that triggers them to make a purchase. This can be done by ditching the traditional way of loudly urging consumers to buy something [6]. In contrast to the screaming, hoarse traditional video studio, here is more than an intellectual lecture hall and spiritual harbor. From astronomy to geography, it is both an agricultural product and a "cultural commodity". Oriental Selection breaks out of the fixed template of many live broadcast forms. It has strong interaction with

the audience in the live broadcast room. Consumers have a better understanding of the products through communication with each other and are interested in further understanding.

### **3.3. Anchor Positioning Differentiation**

There are a variety of studios, but they are generally the same, and few standout ones, such as Li Jiaqi and Oriental Zhen Xuan, are able to capture consumers. Li Jiaqi is known as the lipstick brother. He often says, "I will help you negotiate with the big brands and get the best discount". He always puts himself on the decision-making of consumers and stands in the united front with consumers. In order to choose products, he will personally understand the brand story and product information of each brand, and consumers are very supportive and reliable for the categories he has chosen, which makes most of the consumers have a psychological dependence on him. As a result, Li Jiaqi has been able to capture consumers' attention without much publicity. Oriental Selection anchors are positioned as "knowledge type" rather than "promotion type". When selling products, they will popularize relevant product knowledge and tell brand stories to the audience in a natural and gentle way. Knowledge anchors open a window for the public to understand the brand, and this new positioning also attracts curious audiences. The novel way of live broadcast has aroused the attention of consumers.

## **4. Suggestions**

### **4.1. Strictly Control the Quality of Goods**

With the popularity of online shopping, people often find that counterfeit goods are rampant on e-commerce platforms. In 2018, the counterfeit rate of major e-commerce platforms is between 30% and 50%. 1. The merchant publishes false product information online. Different from face-to-face shopping between traditional buyers and sellers, online shopping has a certain degree of virtuality. The quality of goods purchased on e-commerce platforms can only be judged through visual senses, but cannot be judged more intuitively through actual touch and experience. The use value of the commodity [7]. "Seven points by choice, three points by operation". This is a phrase most sellers are familiar with, sellers know the importance of choosing products. As a business, understanding the psychological needs of consumers is a key step to win. If sellers want to get more buyers, improve click rate, exposure rate, conversion rate, they need to fully understand the needs of consumers, understand the psychology of consumers. Many sellers only focus on the products sold in China and imitate them, lacking their own thinking and innovation, and facing the situation that others are selling well while themselves are Mired in trouble. Currently, it is particularly important to choose products seriously, consumers in the purchase of a product and recognize the quality of the product, and so on, is the greatest affirmation of the business to choose products. Therefore, it is more necessary to strictly control and improve product quality when choosing products for network broadcast [8].

### **4.2. Rectify Potential Safety Hazards**

Online shopping brings convenience to consumers while there are many potential security risks. Online shopping encountered fake goods has become the most common problem for consumers. There are too many fake goods on shopping websites, and shoddy and high imitation a goods abound. The biggest difference between online shopping and bricks-and-mortar shopping is that consumers can't touch the real thing when they shop online. They can only judge by the samples and user comments displayed on the network broadcast. The Law on the Protection of consumer Rights and interests clearly stipulates that consumers have the right to "return goods without reason for seven days" when shopping online. This year, the State Administration for Industry and Commerce issued a new "Interim Regulations on the Management of Online Commodity and Service Centralized

Promotion activities" clearly requires that the gift goods should provide "three packages" service. The new regulations make it clear that the goods sold or given as gifts by the promotion operators in the promotion activities should conform to the provisions of the Product Quality Law. The sales of goods prohibited by the state should not be sold or given as gifts, and the quality of goods should not be reduced due to the promotion [9].

#### 4.3. Rational Online Shopping

There are various ways of network broadcast, and consumers often buy it blindly because of its novelty and diversity. To avoid irrational shopping, people should start with the following three points. (1) Overcome the hoarding mentality. Consumers should know clearly what they need to live, to develop a correct view of consumption, to distinguish what is necessary consumption, what is not to buy things, what is not needed. Never buy anything you don't need. Never buy anything you can buy or can't buy. Buy something according to its utility. Avoid impulse purchases. The first step is to ask oneself if someone really need it before paying for it. The second step is to add it to the cart ahead of time. The third step is distraction. (3) Overcome the herd mentality [10]. Consumers should try to develop independent thinking and the ability to distinguish right from wrong. Consumers should think carefully before paying online. Before making a final decision, consumers should think and analyze independently to improve the accuracy of their judgment. Persist in starting from the actual needs of individuals and consume rationally. In daily consumption, the consumption level should be within the range of personal tolerance, reasonably arrange living expenses, avoid blindly following the trend, and be responsible to oneself, family and society [11].

#### 5. Conclusion

To sum up, consumers' psychology based on network broadcast platforms and their purchase motives have significant characteristics. The psychology of seeking honesty, is that most people in the face of large promotional activities, it is difficult not to move. The psychology of seeking convenience and efficiency is in line with the needs of people in the fast-paced life of contemporary society. Herd mentality, which can be used as a way to increase influence. However, the rise of network broadcast as a platform cannot be underestimated, but there are some inevitable problems. As online live broadcasting gradually enters the broader capital market, innovation and reform in profit model, content supervision mechanism and other aspects are needed to ensure the long-term and stable development of live broadcasting platforms. In order to better promote the service and development of the network broadcast platform, effective guidance strategies should be actively adopted. The suggestions mentioned in this paper play an important role in the shopping of consumers in the broadcast room. (1) Strictly control the quality of goods. Low-priced goods attract consumers who seek price concessions. The products need both cheap price and quality. (2) Eliminate the security risks of shopping in the broadcast room. The fast and convenient way attracts most young people, but the security factor of online shopping also needs to be ensured, so that consumers can make purchases on safe online platforms. (3) Guide consumption concept correctly. Consumers need to establish the concept of rational shopping, which can help avoid the herd mentality. These marketing strategies stimulate and attract consumers' purchase behavior, which is of great significance to the sustainable development of live streaming. But behind these developments, more attention needs to be paid to the rights and interests of consumers, and a reasonable, safe and fair online shopping environment needs to be created. Several limitations to this pilot study need to be acknowledged. This study only selects three representative consumer psychological characteristics, which is not comprehensive enough. This would be a fruitful area for further work to add more consumer psychological characteristics, improve the marketing strategy on the basis of this.



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