

The Influence and Future of Live Streaming Experience on Consumer Impulse Consumption under the Background of Internet

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Abstract: This article studies the impact of live commerce on impulsive consumption and future trends in the context of the rapid development of e-commerce. Live commerce is a business model that has emerged in recent years. This article will analyze how it affects consumers' judgment and purchase as a form of sales and predict the future of this form. The module of impulsive consumption will start from the concepts of behavioral economics and psychology, and discuss in detail the roles played by merchants, anchors and consumers. Future trends will discuss and predict the future of live broadcast commerce starting from the differences, advantages, sustainability and potential challenges between electronic live broadcast commerce and traditional commerce. The research results show that because merchants and anchors are good at using characteristics such as homogeneity, centrality, price and reputation or age, region and sex to induce consumers, impulsive consumption will indeed appear more frequently in live broadcast business. In addition, live broadcast business is benefiting from complete and sustainable industry chain, accessibility, and the characteristics of the times. In addition to the ethical concerns of inducing impulsive consumption, live broadcast commerce has many advantages and shows a positive upward trend in the future.

Keywords: impulse spending, herding effect, e-commerce, homogeneity, mass psychology

1. Introduction

To explain the influence and future trend of e-commerce live streaming experience on consumer impulse consumption, what e-commerce is needs to be defined. E-commerce, in simple words, is buying or selling products or services through an online platform like TaoBao in China. Nowadays, everybody lives in the digital age with ad- advanced technology, and the internet has taken over many offline activities [1]. Not only that but the rapid development of e-commerce is closely related to the global lockdown caused by the coronavirus pandemic. In such a period, e-commerce develops strongly with its characteristics. With the rise of e-commerce, the live-streaming economy has also emerged. In the live broadcast economy, people are more impulsive than in traditional online and online shopping. Reasonings above have led to the emergence of impulsive consumption, which we

believe is closely related to the various characteristics of the live broadcast, which we will elaborate on below [2]. However, merchants should not be using the features of live broadcasts to induce customers to consume impulsively, as we considered factors such as reliability, sustainability, and morality. We believe that the rise of e-broadcasting commerce has led to the phenomenon of impulsive consumption by customers. At the same time, the future potential of e-broadcasting commerce is enormous. We will discuss and explain our ideas in detail below.

2. Background

E-commerce emerged along with the appearance of the internet, which started in the 1960s. Back then, people transferred orders from one computer to another, and this is the earliest form of E-commerce. Later, until the 1990s, the current electronic shopping platforms such as Amazon and eBay appeared. On these platforms, e-commerce has achieved milestone progress. Currently, e-commerce has rapidly developed into an existence comparable to or surpassing traditional commerce. E-commerce provides customers with more convenient services and simultaneously reduces expenses for merchants. Therefore, e-commerce continued to develop until after 2015, live e-commerce broadcasting became popular and expanded rapidly on platforms such as Douyin and Taobao in China [3].

Compared with traditional commerce, the advantages of live commerce are low cost, low barriers to entry, real-time interaction, and convenience. Weaknesses are that users cannot try the product, accessibility-purchase needs to consider the live broadcast time, and the quality assurance of the product is poor. On Taobao, well-known anchors such as Wei Ya can even achieve sales of several hundred million a night. Since the emergence of live broadcast commerce, users who watch live broadcasts have generally shown impulsive consumption. Impulse consumption refers to those unplanned purchases after the customer receives some stimulus [4]. After investigation and research, we found that this is because the real-time voice and video in the live broadcast and the real-time interaction with the host can create a sense of personal experience for customers as if they were there [5]. Therefore, when customers are immersed in the live broadcast atmosphere, many live broadcasts will create a sense of urgency for customers through techniques such as countdowns or specific words. At the same time, because online digital payment prevents people from visualizing their own money, there is a situation of insensitivity to digital prices.

To sum up all the above reasons, many users will have impulsive consumption behaviors when watching live broadcasts. Regarding users, the target audience of live commerce is young people and some people who love shopping. However, as it continues to expand, men, women, and children of all ages now enjoy live shopping, and anyone with a smartphone is the target audience for the live business. Finally, I would like to provide some background information about the live broadcast business industry chain. Merchants, anchors, and users form a circle network in the live broadcast business. In this network, merchants increase sales for themselves by taking advantage of the anchor's fame and popularity. The anchor eliminates the risk of starting a business and earns commissions through live broadcasting—a choice of shopping method. With the support of data from China's Douyin, no matter how many fans the anchor has, he can make money through live broadcasting, and this is already a very mature business model in China.

3. What is Impulse Buying

Impulse spending has become a regular part of life for some people, but the boundaries of impulse spending are blurred. So, what is impulse buying? Is an unplanned decision to purchase a product or service that temporarily precedes the purchase. People who tend to behave this way are called impulse buyers. Studies have found that emotions and feelings are the decisive reasons for impulse buying,

which are stimulated by consumers after seeing a product or well-crafted promotional message. Impulse consumption is also divided into three types: pure impulse consumption, stimulation impulse consumption, planned impulse consumption; Yet stimulative impulse spending is now all the rage. The definition of stimulating impulse consumption is that the customer sees a product or some advertising, business promotion, prompt or arouse the customer's unmet consumer demand at the shopping site, thus arousing the consumer desire, and decides to buy, which is the result of the shopping site stimulation. In daily life, we can see large and small advertising, which is a kind of impulse consumption. For example, jewelry pictures posted outside jewelry stores are also a kind of advertising. Moreover, in real life, such behavior not only occurs in middle school students and young people, but also more or less occurs in different fields and different age groups, so that this matter needs to be paid attention to and prevent such behavior from happening.

4. Factors Influencing Impulse Spending

At the same time, the actions of consumers are far from enough. Usually, merchants will use some "means" to promote the impulsive consumption of consumers, and they will often apply some knowledge involved in psychology to complete the sales process.

4.1. Homogeneity

Homogeneity is the tendency of individuals to interact with and develop relationships with similar people, as in the proverb "birds of a feather flock together." Homogeneity has been found in a large number of network studies: in the past, homogeneity has been observed in various forms and demonstrated that similarity is related to interpersonal relationships. Individuals in same-sex relationships share common characteristics (beliefs, values, education, etc.) that make communication and relationship formation easier [6]. Homogeneity has multiple effects on social and economic outcomes, including promoting cooperation and slowing the process of reaching consensus. People with little or no independent opinion, on the other hand, blindly follow, participate in, or imitate what suddenly becomes popular without careful consideration. Another thing is about friends, because personality and habits are possible, when friends recommend, people will watch some live content without thinking, which will also make the network structure become bigger and bigger, and the information spread faster and faster. The same thing doesn't feel the same, but even so, consumers buy it. While this hurts consumers, on the contrary, it does add quite a bit of revenue for some merchants on the network. At the same time, it helps companies expand their reach. Therefore, there is no doubt that the Internet has brought benefits to enterprises.

4.2. Centrality

Judging one's power and influence by how many people one can mobilize, or influence is a natural starting point because it reflects one's influence [7]. In the course of life, on some livestreaming platforms, businesses will invite some influential stars to increase the number of viewers and traffic through livestreaming [8]. In the process of live broadcasting, there are not only those fans of the stars, but also some so-called passers-by, they are not fans of the stars. But only because the product attracts this kind of live streaming can it significantly increase traffic in the first place. The second is to expand what we call the network structure to cover a wide range of areas. Link sharing, people can see this link button on some platforms. These link buttons are the way some businesses want to move their products from consumers to those around them, thereby expanding their reach and the range of their products.

4.3. Price and Reputation

In comparison with the same product, the one with lower price will attract more attention from people. Merchants will attract consumers to consume by greatly reducing the price. In the process of sale, there will be such words as "the lowest price in history", but the price indicated by merchants should be greater than the purchase price, so that merchants can make money. Some consumers will simply think that it is more affordable, but there is such a phenomenon of impulse consumption. Word of mouth is very important for every business. Businesses will improve their reputation through a variety of ways, such as: brush praise, improve visibility, through this way can receive more consumer attention and income.

4.4. Age, Region and Sex

According to the survey, we found that women in high school and young adults are more likely to engage in impulsive spending because at this age they have not systematically learned theoretical knowledge and do not understand the pitfalls given by the business community in society. That makes it easy for them to fall into the trap of impulse spending. In addition, there will also be impulsive spending in some second - and third-tier cities and remote mountainous areas, as they will not be able to make money easily and will therefore pay more attention to price. And in the course of our research and investigation, we have found that some merchants will significantly reduce the price of individual products, but when consumers buy, they do not buy them one by one. So that people in the outlying cities think the stuff is really cheap and can be bought in large quantities. Finally, there is some waste of goods.

5. Future Plan of Research

As mentioned above, the disadvantages of impulse consumption are inevitable. However, it still brings many dividends to live e-commerce in the short term due to the shorter consideration period and other reasons [9]. Apart from the discussion about impulse consumption, the future of live e-commerce may be unlimited, and there are many benefits. From an objective perspective, the most significant advantage of live e-commerce is that the industry chain is complete and sustainable, which can bring consumers a satisfactory consumption experience. Due to the integrity of the industry chain, the time from the time users see the goods they want to buy in the live broadcast room to the time they place an order is concise. Most live broadcast rooms will choose the nearest warehouse for delivery after the user places the order in cooperation with the mature logistics system.

In most cases, except for remote areas, products will arrive at the user's receiving address within two days. This ensures the enthusiasm of consumers because consumers will not be disappointed because of the long waiting time or even feel unhappy about products or live e-commerce shopping. Therefore, after consumers taste the benefits of live shopping, they will continue to try and use live shopping. In the short term, this has brought rapid and profitable cash flow to businesses to continue developing new businesses. In long-term, this can be a complete and active circle network. The user's good consumption experience and enthusiasm for continuous use form an excellent cycle with the constant inflow of cash flow of merchants and the ability to quickly turnover, constantly update, and carry out new businesses. So live e-commerce is a significant trend and a popular business mode in the future.

From the perspective of accessibility, e-live commerce shortens the physical distance between consumers and businesses. It connects two parties that are not in the same city or even in the same country, which makes many purchases that cannot be completed. The original merchants' target audience is local or nearby consumers. The limited consumer group limits their sales and more possibilities. However, with live e-commerce, their consumer target groups have expanded to the

whole country and even the world. The expansion of sales groups is no different from the increase in sales. The same is true for consumers. The range of consumers' choice of goods has increased, with more options and broader categories. It is easier for them to find the goods they need and like. People living in rural and more remote areas can also use the features of this e-commerce to buy things they could not have purchased. Live broadcasting e-commerce not only brings benefits due to geographical reasons, but also it allows users to access without time limits. Most shopping malls are closed around 10 o'clock, but the live broadcast is basically 24 hours a week, seven days a week. This greatly benefits consumers, especially young people and office workers. Because of the fierce competition in today's society, most people need to work in the daytime and even work late at night. People's time is limited, leaving little time for shopping and leisure. Therefore, it is not their best choice to take the time to go shopping in the mall. At this time, the advantages of electronic broadcasting will play a role. These people can open their mobile phones after work and shop, saving time. Combined with the era's characteristics, people spend more and more time on mobile phones in this digital era, especially young people. Following this trend, and with its many advantages compared with traditional business, e-commerce will be the mainstream business trend in the future.

6. Conclusion

For all the points mentioned above, we got the information through reading a lot of literature and investigation, and learned a lot of professional knowledge in the investigation process, so that we more believe that impulse consumption is not a long-term and sustainable development goal and form in the field of e-commerce, but in the future, There may be more new forms of consumption related to e-commerce, so as to improve the economic development benefits brought by e-commerce through those forms of consumption. But the paper still has limitations. Due to the limited academic ability of the team members, more support from experts in psychological and economic fields is needed to accurately absorb and export more complex knowledge within a limited time.

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