

# ***The Application of Chinese Live-Streaming Marketing in the US Market***

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**Abstract:** The advent of the big data era has given rise to marketing models that push information more accurately, including live-streaming marketing which has become a mainstream sales model in China. However, live streaming is not widely used in the U.S. market. Therefore, this study analyzes the feasibility and specific practices of the Chinese live-streaming marketing model in the U.S. market by comparing the social media market, consumer behavior, and culture in China and the United States. This study is divided into three main steps: The first step is to examine the reasons why live streaming has been successful in China; second, the study investigates the U.S. market: mainstream social media, and current major marketing approaches; and finally, the study investigates the preferences of U.S. consumers. The study found that the live-streaming marketing approach can be applied in the U.S. market. Live streaming meets the shopping needs of U.S. consumers and the current U.S. social media has the main conditions needed for live streaming, with a platform user base, a well-established live streaming institutional mechanism, and a flow of anchor fans. Therefore, through this study, specific practices can be practiced on social platforms with mature live-streaming systems, through influencers who have already gained popularity. Or an official branded live broadcast to gain a stable and large audience as well as consumers by offering the lowest prices compared to other buying methods and buying platforms.

**Keywords:** live-streaming, marketing, social platform

## **1. Introduction**

The advent of the big data era has had a huge impact on the marketing field, giving rise to marketing models that push information more accurately. And among them, e-commerce lives streaming marketing has become one of the most important marketing tools in many places with its advantages of showing the integrated application of data information and accurate pushing of marketing information, also a lively shopping environment that fills the shortcomings of online shopping. In China, live-streaming marketing has become a mainstream sales model. According to the "2022 China Live Streaming E-commerce Market Data Report" released by the Online Economic and Social E-commerce Center; the current size of China's live-streaming e-commerce market is close to CNY 500 billion [1]. After a long period of development, China has a complete set of live e-commerce models adapted to the Chinese consumer market.

Firstly, the business model of cross-domain integration of the e-commerce industry chain and advertising industry chain with live goods relies on information technology. This model takes advantage of the low-cost mode of accurate supply and efficient matching between "buyers" and "sellers" in the e-commerce industry chain through resource integration and platform docking, as well as the precise delivery characteristics of the advertising industry chain after the information technology revolution. Secondly, the interactive cycle model of "people-product-platform". "People" refers to the network anchor who is popular and well-respected; "product" refers to the goods or services promoted; "platform" refers to the network platform [2]. Any network platform that gathers traffic and popularity may become a potential "platform" for live broadcasts with goods. In the new age of the attention economy, the traffic and attention resources gathered by various network platforms are the core competitiveness of the network economy. The two-way interaction cycle of these three elements constitutes the core structure of the current network live with goods business model. However, the "live streaming" that has been so successful in the Chinese market is not widely used in many places, such as the U.S. market. Therefore, if a particular live-streaming model can be built in the U.S. market, more vitality in the market would be stimulated and the current marketing model in the U.S. market may even be changed completely. By comparing the social media market, consumer behavior, and cultures of China and the U.S., this study analyzes the feasibility and practice of using the Chinese live-streaming bandwagon model in the U.S. market. The study is divided into three steps. The first step is to examine the reasons for the success of Chinese-style live banding, specifically including an analysis of Chinese culture, Chinese consumer preferences, and the characteristics of well-known Chinese live-streaming anchors. In the second step, the study was shifted to the U.S. market. Firstly, the research investigated mainstream social media in the U.S., selecting the social media platforms suitable for the development of the live-streaming market. Secondly, it was to understand the current main marketing approach in the US and analyze the reasons for the success of this approach in the US market. Finally, the preferences of American consumers are studied in order to compare with Chinese consumer behavior and analyze the likelihood of acceptance of the live-streaming marketing model being accepted by the American public.

## **2. Chinese Live-Streaming Market**

### **2.1. Reasons for Success in the Live-Streaming Market**

Marketing model in the traditional era, buying behaviour takes place by paying attention to products in stores, showing interest in the purchase, initially triggering the desire to buy, deeply remembering the product and going through a multi-step buying process. Compared to the traditional marketing model, today's shopping market in China is very different. First off, consumers' attention has shifted from marketers to internet broadcasters and influencers as a result of the live model; Second, in respect to the characteristics and marketing effects of the webcasts themselves, such as talent showcases and interactive debates, the essential components that pique customers' interest in particular products have evolved; Third, consumers can now look for and purchase products on the internet marketplace using a variety of channels, including fan messages, product reviews, and website ratings, in addition to traditional marketing information input. Consumers can get information online from a variety of sources, in addition to traditional marketing input, including fan comments, product reviews, and website ratings [3]. And the reason why live-streaming with goods is currently widely accepted is mainly because it caters to the needs and preferences of consumers. Firstly, it caters to customers' needs for content. In the digital network era, Internet and online platform marketing provide a broader platform. Accordingly, text and images are no longer the only ways for customers to absorb product information; instead, consumers are becoming more and more influenced by holistic and dynamic marketing content. In live merchandising, the presenter does not just have to

present the products to be sold in depth. They are also required to deliver marketing content and visuals to platform users which is applied in practice in the ways of playing music, dancing, sampling and using different and special entertainment options. These are aimed to stimulate the interest of potential buyers. Thus, in comparison to an offline marketing platform, live-streaming marketing has some advantages. A live product's content is more visually appealing and diverse, and it has a higher chance of being favored by the platform's prospective users [3]. Additionally, it has to do with the individual charm of online users and web hosts. People are more likely to believe the advice of their favorite people when making purchases, and they may even end up purchasing items they did not initially require. When live-streaming with goods, the anchor's distinctive features, including look, language, personality, and talent, can be represented and disseminated more readily online than they can in person [3]. What's more, this is also related to the Chinese character society as well as culture. China has a long traceable history and is therefore also heavily influenced by traditional culture and ideology deeply. For thousands of years, the idea of "Datong" has been promoted, that is, the state comes before the family and the family before the individual. As a result, China is highly collectivistic, which manifests itself in a preference for more interaction and socialization with people and society, a lively "atmosphere", and a tendency to behave more when in a group. The interactive nature of live streaming caters to these characteristics of Chinese people and is therefore accepted and loved by Chinese consumers. High interactivity is the biggest feature of live banding, which makes live banding different not only from traditional marketing but also from other digital marketing methods. In conventional marketing methods, interactions between consumers and marketers are limited in terms of time, population and location these interactions lead to issues such as inadequate understanding of marketing requirements, delayed communication and message mismatches. Not only does the live streaming platform bring together a group of people with buying potential, but thanks to advances in live streaming technology, it can fully realize timely and intensive one-to-one interaction, which in turn generates more pleasant consumption and more transactions. During the interaction process, fans can use comments to consult with the anchor around the explosive products and converse with other users of the site to gain a thorough grasp of the buy-and-use experience, and subsequently, a more thorough comprehension of the products. Consequently, broadcasting with products partially compensates for the drawbacks of conventional marketing methods of interaction. The more interpersonal interaction, the greater the level of connection and happiness with the target product, and the greater the benefits, the easier it will be to allay fans' concerns about making purchases.

## **2.2. Reasons for Success in the Live-Streaming Market**

The reason why the live-stream with goods can bring such a large economic benefit is that its online live-streaming anchor is inseparable. One of the most influential in China's live-streaming market is Li Jiaqi, who has 7.89 million fans. Back in 2018, Li Jiaqi sold 15,000 lipsticks in just five minutes during the Chinese shopping carnival "Double 11", ranking first in the industry [4]. In today's live-streaming beauty bloggers, why can Li Jiaqi get a lot of public attention? The reason can be analyzed from his characteristics and communication strategy. The first reason is unique individual symbols that build their characteristics and attract the attention of the audience. People always express themselves through their behavior to give people an impression, and Li Jiaqi attracted the attention of the audience with his "OMG! Buy it!" which is his most famous word with an attractive tone. What's more, in the subsequent live broadcast, his main style remained unchanged and was continuously strengthened, making it a personal characteristic and synonym for himself. In addition, the phrase was not only limited to the audience, but also became popular on the Internet in general, triggering many imitation videos, which allowed his spread to break through the boundaries of the range, and attracted his visibility outside the live broadcast. Therefore, "OMG! Buy it " helped him

win the public discussion, and broke the original beauty class circle, from the make-up circle of communication into public communication, harvesting more audience, which is currently not available to many anchors. Another reason is the establishment and marketing of the persona. "Persona" means "character setting", in this case, the positioning of one's image. This positioning is often positive and favored by the public, and deepens the public's recognition of them. One can find numerous live-streaming presenters and celebrities on the Internet today, but the viewer's concentration is short. According to Li Jiaqi, "If influencers do not show today, their admirers could stop coming to watch them in the future [4]. Phrases such as "Li Jiaqi's dedication" and "Li Jiaqi's old photographs" have been the trending topics respectively. The first underlines his attitude towards work, while the second demonstrates good physical fitness, these phrases increase the stickiness of his fans by creating a persona [4]. In addition, in today's era of gradually rising male consumption, Li Jiaqi possesses both masculine and feminine traits. He differs from other male makeup or skincare influencers or bloggers in that he can be both a woman's "best friend" and a source of purchasing advice, which is uncommon among his competitors who are influencers in the makeup field. Li Jiaqi's increasing recognition is also a reflection of a wider trend in the business, wherein certain followers view executives as "opinion leaders" because of their distinctive traits in terms of look, speech, personality, and talent [5]. It can be suggested that charming presenters can sway viewers during live broadcasts, especially if they establish a strong brand identity through their appealing personality qualities and take the lead on the decision to buy [4]. As a result, when celebrities offer their "recommendations," it is likely that consumers will be interested in items and choose to try certain products or brands, as is the case with their favorite presenters or influencers. This is because fans themselves prefer particular types of celebrities. Consequently, here comes the key factor affecting consumers' shopping decisions which is the personal charm of live-streaming presenters.

### **3. American Market**

#### **3.1. Characteristics of the American Market**

Due to the differences in the social system and national culture, the market operation mode and consumer preferences in the U.S. are different from those in China. The core American consciousness is individualistic, which means that Americans tend to lack the desire and pursuit of the "collective," preferring independence and personal space. In addition, Americans have a strong belief in "individual initiative" and respect for individual power. If too much personal data is collected, it is seen as an infringement of personal privacy or even personal power. Based on such characteristics, the main marketing method used in social media now is different from China, which is still influencer marketing. Influencer marketing refers to individuals who can influence potential consumers and push them to make a decision. Usually, influencers promote a product in a recommended manner, through words or video. It is similar to live-streaming marketing in China in that both of them make use of the popularity and opinion leader effect to stimulate consumer behavior. However, they are still different. Influencer marketing tends to be static and time is a range. Objectively speaking, once the advertisement is published [6], consumers can browse the advertisement at any time. And live-streaming marketing is more dynamic. It no longer relies on the celebrity effect but encourages buying through the living atmosphere produced by the live anchor.

#### **3.2. Main Social Media in America**

In America, the main platforms of influencer marketing are Facebook, Instagram, TikTok, YouTube, and so on [6]. The function of each social platform is different, and today's U.S. influencers live mainly on TikTok and Instagram two platforms, and at present are mainly to interact with fans and

chat. In terms of the current market share, a new dedicated live-streaming platform cannot be achieved, and the anchor heat needs to be spread with short videos and other means, which means they should still rely on existing widely-used social media.

#### **4. The Practice of Chinese Live Streaming in the U.S. Market**

##### **4.1. Comparison of Chinese and American Social Media Marketing**

In social media marketing, China mainly focuses on live-streaming goods, but short videos and blog posts are also promoted as important marketing tools for brands to promote their brands or boost sales. It is worth noting that social media marketing in the Chinese market is precisely the shift from the original short video and blog post-based to today's live-streaming with goods. In the past, the main target customers of social media marketing were young consumers who were always online and ahead of the times. Nowadays, live-streaming is mainly on the TikTok short video platform and Taobao e-commerce shopping platform. One of the reasons for this is also the expanded range of consumers that live-streaming enables. TikTok (in China) has now expanded into the "sink market" which is expanding its target audience from Tier 1 and Tier 2 cities to the previously neglected consumers in Tier 3 and below cities, shifting the competitive market from Tier 1 and Tier 2 cities to Tier 3 and below cities. The main users in the sinking market are of the following types. First, young people in third and fourth-tier cities, also known as "town youth". The second refers to users from all walks of life, especially the working class, such as truck drivers and delivery workers, etc. The third refers to users from middle-aged people. All of them are not good at using the Internet and have difficulty accessing various shopping channels. Therefore, live-stream caters to this type of people. Consumers in the sinking market always tend to watch only a few fixed favorite anchors, and they pick and buy whatever goods the anchors sell. The live broadcast explanation and instant interactive consultation also make up for the lack of information on goods for this kind of people. In the U.S., the market that is still dominated by non-instant promotion (short videos or blog posts) is unexplored to the sink market. Therefore, live streaming would not replace existing marketing methods but can be used as a means to further expand the market. In addition, the above-mentioned interactivity, purchasing atmosphere, and personal attraction of the anchor are all attributes that are widely accepted by society regardless of cultural restrictions. People always tend to follow "opinion leaders" or are happy to make decisions and purchases in a highly interactive and better consumer environment [5]. Therefore, China's live-streaming model is feasible in the U.S. consumer market. It will neither replace the original marketing model, but will also expand to the sink market and bring a better and more diverse shopping experience for consumers [7]. However, it should be noted that U.S. users are more sensitive to privacy issues, so it is necessary to pay more attention to the protection of user privacy and establish relevant protocol mechanisms when making algorithmic recommendations such as "live-stream recommendations based on preferred content".

##### **4.2. The Specific Practice of Live Streaming in the U.S. Market**

The construction of the live-streaming industry chain in the U.S. market can be implemented in three main ways: "platforms" and "people" [8]. From the "platform" element, the scene live-stream mainly consists of social media and the live room where the user in the live room to select products and orders. Therefore, the main requirement for the platform is a large base of traffic and anchors [8]. And as the most popular short video app in the United States today, TikTok has great potential for the development of live streaming. In August 2017, Tik Tok was launched in the US app store. Tik Tok quickly harvested good market feedback due to its launch: in the first quarter of 2018, Tik Tok ranked first in global downloads on the Apple App Store; in July 2018, Tik Tok released data stating that the number of Tik Tok's monthly active users worldwide exceeded 500 million [9]. Therefore,



TikTok qualifies as a live-streaming platform with huge traffic, which can be translated into a potential consumer base. In addition, Tik Tok is already one of the largest live-streaming platforms in China, so it has a ready-made and perfect live application system. Whether it is user orientation, operation interface, or setting of special features, the Chinese and overseas versions of Tik Tok are the same. Therefore, Tik Tok is already a mature live-streaming product with stable performance and smooth user experience [9]. On the other hand, the "people" element is the core of the mutual conversion of Key Opinion Leaders (KOL) and anchors. This means that firstly, the KOLs with their traffic will start a live stream and become the anchor to sell goods, making live stream start to be accepted. Then, the brand will cultivate and promote the anchor, making the anchor become the KOL with fans [10]. More specifically, this can be implemented first in areas where products need to be displayed more, such as beauty. Finally, the live stream should also establish a supervision system that adapts to local, such as punishing people who have done false marketing or sold counterfeit goods. The establishment and improvement of the supervision system can be based on U.S. law, communication with the industry and commerce departments, and other ways. When the algorithm is used to push live broadcasts, users should also be asked to check the relevant recommended agreement in advance.

## 5. Conclusion

The study finds that live streaming caters to consumers' needs for shopping, and live streaming is also a new marketing method derived from social media marketing which is one of the main marketing methods in the U.S. now. In addition, for now, there are many influencers on the U.S. social media platform who already have the traffic and fan-buying power that is required for a live-streaming anchor. Therefore, through this study, it can be concluded that the live-streaming marketing method can be applied in the U.S. market. It can mainly be practiced first on social platforms that already have many users and have a mature live streaming system, through influencers who already have gained popularity. Or an official brand live stream, which gets a steady and significant number of viewers as well as consumers by offering the lowest prices compared to other buying methods and buying platforms. This study provides new marketing approaches as well as specific practical measures for the U.S. market. This helps the U.S. market to open up a new marketing approach to further stimulate market dynamics and promote sales. Secondly, this study also conducts an in-depth investigation and comparison between the Chinese market and the U.S. market, and provides a clear analysis of the similarities and differences between the markets of different countries due to culture and level of development, so that when other marketing approaches are introduced in the future, they can be adjusted according to this similarity and difference. Finally, there are certain shortcomings in this study. The study only focuses on one social media, "TikTok", to conduct a specific survey and analysis of users, and to propose specific practical applications. In the future, the practical measures of TikTok can be further refined, or other social media apps can be analyzed and applied to facilitate the in-depth study of this topic.

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