

promoting but also unpack them live and try them on the spot. For example, Jaiqi Li, the “Lipstick King” and most famous beauty influencer in China often apply and remove a makeup during his livestream to make the effect visible and persuasive to the audience (Neil, 2021).

Livestream purchasing instills a feeling of urgency and scarcity in viewers because of the limited time and discounts that are made available following the introduction of a product (Zhang, 2022). The number of items that are available for purchase is purposefully kept low by hosts, who then replace the supply as necessary to meet the demands of customers who were unable to purchase any of the earlier batches. Livestream presenters often do not generate profits via the charging of high rates; rather, they sign contracts to attract new consumers, sell in big quantities, and charge additional costs such as installation fees for gadgets that are acquired during the livestream (Zhang, 2022).

The success of livestream commerce is significantly influenced by the celebrity effect in several ways. This problem may be traced back to the impact of celebrities and their sizable fan networks, which are often comprised of young people enrolled in educational institutions (Chen, 2021). Utilizing their massive fan bases to boost purchases on a variety of livestream commerce platforms, many famous people take on hosting or anchoring responsibilities. Because viewers are encouraged to make quick purchases, there is a direct correlation between the size of the fan base and the amount of income generated from sales. For instance, the famous Chinese actress Tao Liu was able to sell 10 properties in the span of only ten seconds (Chen, 2021; Zhang, 2022). It is possible to reach large audience through livestream commerce than through traditional marketing strategies although many of the audiences are new customers introduced by friends or families. However, in most cases, the new customers/audiences have no prior product knowledge nor related with the seller. The audience is also mixed or consists of people from diverse backgrounds from young and elderly; men and women; rural farmers and white-collar workers.

#### **1.1.1. The Rise of China's Live Streaming Industry**

In the information age, the rapid development of the mobile Internet, computers, smartphones, and other electronic devices continue to bring great changes to people's lives while also changing their media consumption habits (Guyen, 2020). Since 1990s when the e-commerce emerged to a global scale, economic structures and operation modes have been changing fast. As a new economic, e-commerce has demonstrated high potential becoming an important indicator based on the economic development and sustainability level for all countries across the globe (OECD iLibrary.org, 2023). Presently, live streaming has become a

new trend and has been the bliss topic thanks to its trending popularity and diversity. Also, due to interaction, convenience, speed, network resources, and large audience advantages, live streaming has become a global e-commerce platform where hosts can promote, advertise, or report products with China taking the lead (Lu & Siegfried, 2021).

China embraced network construction as an important 21st century infrastructure and for the past more than a half a decade when it officially launched a 4G Internet, China achieved the highest global level in terms of coverage and scale (Lu & Siegfried, 2021). In 2016, for instance, China saw a spurt of growth in webcasting platforms with livestreaming revenues reaching \$246 million between (Chen, 2016). In a 2017 Chinese report by Internet market research firm Ari estimated that China's live video market was \$3 billion, a 180% increase from the previous year (Xiang, 2017). In 2018, the popularity of live streaming platforms rose by 36 million, indicating a significant growth in the stability and development trend of live streaming (Ma, 2021).

The market size in China for live streaming services has been growing exponentially since 2020. China's live e-commerce market size increased to RMB 123.79 billion between 2018 and 2020 and is projected to reach RMB 4.9 trillion by 2023. China now has 1.23 million KOLs and 8,862 registered live e-commerce enterprises (iResearch, 2021). The number increased dramatically during the COVID-19 epidemic in the late 2019 and early 2020s, when many production enterprises in China were shut down, converting the country's traditional "offline" existence to an "online" one. With important initiatives like the Chinese government's Vulcan and Thor Mountains emergency hospital projects being aired live on different social media platforms to the Chinese people, the pandemic promoted continued development in the livestreaming industry (Zhou, 2020). According to Zhou (2020), the "cloud office," "cloud classroom," and "online shopping" all had a part in the industry's quick growth, particularly during the pandemic.

In contrast to the conventional communication methods employed by e-commerce platforms, livestreaming has addressed the limitations of incomplete information conveyed through static images and text on e-commerce pages. Moreover, it has facilitated a more intuitive understanding of product information for users during the purchasing process (Zhang N, 2023). Livestreaming has the capability to merge the online and offline shopping environments, thereby providing consumers with a virtual shopping experience in real-time, facilitated by Internet influencers (Polchlopek, 2021). Livestreaming facilitates two-way interactions, namely, between the broadcast subject and the information receiver, and the

positive impact of interactivity on the shopping conversion rate, as highlighted by Zhou et al. (2020). The utilization of webcasts with real-time interactivity is a novel approach to revamp conventional e-commerce platforms. This elucidates the reason why major e-commerce platforms are increasingly interested in livestreaming, as stated by Zou et al. (2020). According to Huang's (2019) research, Taobao Live is presently the most extensive live e-commerce platform in China, trailed by Tiktok, and other short video platforms like Kuaishou. As per the Taobao Live 2021 Annual Report, the revenue generated by Taobao Live in e-commerce livestreaming surpassed 400 billion Yuan solely in the year 2020. According to the data, there was a noteworthy increase in the average daily active users of Taobao Live Streaming in 2020, exhibiting a year-on-year growth of 100%. In March of 2020, the China Consumers Association released an Online Survey Report regarding Consumer Satisfaction of Live E-Commerce Shopping. The report indicated that the highest percentage of consumers, 68.5%, utilized Taobao Live Streaming. Tiktok Live was the second most popular option, with 23.8% of consumers utilizing it. Kuaishou Live was used by 9.3% of consumers, while the remaining 1.7% utilized other options (Liu, 2021).

## **1.2. Influencer e-commerce Livestreaming in China**

In the prevalence of "e-commerce + livestreaming", celebrities, influencers, and other professionals have joined the growing e-commerce bundled with a new sales model in the form of live broadcast and by the virtue of their business values on the Internet have become critical marketing strategy targets persons. The vitality of influencers' live broadcasting lies in the formation of the image of KOL among the consumers through their appeal, influence, and communication power, allowing them to earn a good living from their large fan base (irresearch, 2021). "Influencer e-commerce livestreaming" and "advertisement marketing or product promotion" are the two pillars e-commerce livestreaming industry in China. In late 2019, the scale of China's live e-commerce reached 433.8 billion yuan, and the amount of influencer advertising and marketing was 51.3 billion Yuan. These statistics demonstrate how the influencer livestreamings has become an important part of the current live e-commerce model (Fan, 2020).

### **1.2.1. The influencer economy In China**

The Chinese influencer economy exhibits diversity through its incorporation of various forms of revenue generation, including influencer e-commerce (such as live e-commerce), advertisement marketing, live rewarding through virtual gifts, and knowledge payment. The

primary means of implementing the influencer economy in China are influencer e-commerce and advertisement marketing, as noted by Cunningham et al. (2019). According to Cunningham et al. (2019), influencer e-commerce refers to the practice of leveraging influencers to market products to their audience, followers, or other online users via social media platforms. The social asset of an individual is commonly determined by the size of their fan or follower base. This operational approach is predicated upon the sway of the anchor/key opinion leader (KOL), resulting in minimal marketing expenses and heightened fluidity. Influencer e-commerce is primarily represented by the phenomenon of live e-commerce. Ju et al. (2022) reported that Taobao's official data indicated a live sales turnover exceeding 200 billion RMB in 2019.

Advertisement marketing is a marketing approach that involves influencers promoting products to their followers through their personal verified accounts on social media platforms or by engaging in advertising placement of products (Cunningham et al., 2019; Zhang et al., 2021). The brand incurs a fee because of the promotional activity. According to official data released by the Chinese government in 2019, the advertising marketing sector generated a revenue of 51.3 billion RMB. The substantial magnitude of this figure serves to illustrate the noteworthy impact exerted by influencers within the realm of advertising and marketing in China, as posited by Fan (2020). According to Cunningham et al. (2019), the concept of livestreaming (virtual gifts) is characterized as a marketing tactic that involves incentivizing fans to engage with live content by offering virtual gifts during the live stream. The model in question primarily pertains to entertainment performances such as dancing and singing, as well as competitive live streaming platforms that are based on gaming, as noted by Cunningham et al. (2019).

The concept of knowledge payment involves the monetization of expertise and experience by prominent members of society and influential figures in various industries, such as Key Opinion Leaders (KOLs), who offer their knowledge and insights through digital platforms for a fee (Zhang et al., 2022). The offering comprises a sequence of remunerated online question-and-answer solutions and the delivery of tailored individualized educational programs. As per official data released by the Chinese government in 2019, China generated a revenue of more than 25 billion Yuan through paid knowledge, as reported by Fan (2020). According to Fan (2020), alternative methods for monetization include the development of personal brands, self-promotion for product sales, and participation in a variety of television and film productions.

### **1.3. Problem Background**

Before determining the direction of my dissertation topic, it is necessary to understand the literature related to live e-commerce and influencers live e-commerce. In part, this research focuses on live e-commerce and the direction of consumer preferences and purchase intention. Understanding the direction of consumer attraction and the influence of customers' attention allocation process and purchase intention is important in the context of the entire essay because it forms the core of the research question. Various literature has explored the influence of influencer endorsement factors, such as connection, image consistency, and entertainment on customers or viewers' emotion and purchase intention. Fei et al. (2021) investigated the impact of social cues in live e-commerce. They found that social cues influence the attention allocation process and purchase intention of viewers when watching e-commerce livestreaming sessions. They concluded that the influencer's e-commerce live broadcast has emotional impacts on consumers and thus on purchase intention. Meng et al. (2021) on their part established that influencers on e-commerce livestream sector directly or indirectly influence consumers' purchase intention. They reported a positive relationship between direct influencers' influence and consumers' emotion and purchase intention. Han (2021) studied the relationship between user experience and livestreaming to investigate the factors influencing e-commerce live streaming and established that livestreaming enhances user experience.

E-commerce influencers on Chinese social media platforms, such as TikTok (Douyin) use a two-path model to influence the fans, viewers, and potential consumers in general. First, technological advances in social media allow companies and researchers to "listen" to the conversations of online viewers and reveal how they decode influencers' messages. These advances were pioneered by companies in the online entertainment industry who used audience chat and real-time text as data for consuming social listening (Hung et al., 2021). Second, viewers of Tik Tok (Douyin) videos like to contribute and share live comments during watching. These live comments form a large digital dataset that allows companies and researchers to understand what viewers think and feel about the featured companies and products. Social listening methods used in the study to understand the underlying motivations for viewer behavior. This research provides some insight into influencer marketing, which is becoming a major form of product promotion (Hung et al., 2021).

#### **1.3.1. Research Gap**

Marketplaces, retailers, and brands use e-commerce livestreaming as a marketing strategy primarily for two reasons. First, to accelerate conversion. E-commerce livestreaming

is immersive and entertaining, which keeps viewers watching for longer. As a result, customers' decision-making process is telescoped from purchase awareness (Arora et al., 2021). Influencers of these events use time-limited tactics like one-off coupons to create a sense of urgency that results in 30% or more conversion for companies committed to this mode of marketing compared to traditional e-commerce (Liu, 2021). Second, they use e-commerce livestreaming to enhance product differentiation and improve brand appeal. E-commerce livestreaming, if done well, increases the distinctiveness and appeal of a brand and attracts some extra web traffic (Arora et al., 2021). This approach involves maintaining existing customers while attracting new ones, particularly young people interested in innovative shopping experiences. According to Arora and colleagues, e-commerce livestreaming can increase new and younger customers to companies by up to 20%.

Despite the benefits, e-commerce livestreaming is still an emerging channel and economic model with numerous unknowns, such as best practices, new lessons, and bad practices (Si, 2021). For example, it can be expensive to do e-commerce livestreaming during Singles' Day; therefore, it is best to try low-risk options first before evolving such capabilities as they learn. However, brands will need thoughtful approaches to learning how to use the e-commerce livestreaming medium.

As such, this paper was conducted to fill this gap by analyzing e-commerce livestreaming marketing strategies used by two influencers: Li Jiaqi and Weiya to identify the best practices, emerging trends, and bad practices in the domain of livestreaming ecommerce. This analysis will help to address some research gaps as it will enable better understanding of the phenomenon of livestreaming as an e-commerce marketing channel. The analysis is based on communication theory to help analyze various communication abilities in live-streaming and various marketing strategies that can be deployed when promoting products. The study of communication theory is highly relevant to the research on livestreaming because Livestreaming is a communication tool that involves the transmission of information, ideas, and emotions through digital platforms. The success of livestreaming as a marketing strategy depends on how effectively it communicates with its audience. Communication theory helps in understanding the process of how information is transmitted and received, the impact of different communication channels on audience behavior, and the factors that influence the effectiveness of communication. It can provide insights into how to design and implement effective livestreaming strategies that engage and persuade viewers, and how to measure the impact of these strategies on consumer behavior. By drawing on communication theory,

researchers can deepen their understanding of the dynamics of livestreaming and help companies optimize their marketing efforts in this emerging channel. The study also strived to address various challenges encountered by influencers or e-commerce live streamers, such as promoting lower quality products, less sticky consumers, and false propaganda by recommending various improvements on countermeasures to make it sustainable.

### **1.3.2. Research significance**

As aforementioned in the previous section, the domain of livestreaming ecommerce is relatively new and as such, there are main unknown variables on how the platform can be optimized to maximize profits for the live streamers and corporate organization while generating value for the consumers. The opaqueness enshrouding the understanding the livestreaming domain are mainly due to lack on enough academic output and publications on the topic. The present research aims to address this research gap thus providing a guiding direction on the livestreaming phenomena especially with a special emphasis on the China's market.

As a vertical field of e-commerce live streaming, influencers' livestreaming events have unique development modes accompanied by updates and webcasting iterations. Live webcast with goods is a phenomenon of dual purpose that is based on research, macro background, and historical development platforms to further deepen understanding of influencers' e-commerce livestreaming events. To understand the mode of influence and marketing strategies used on e-commerce livestreaming events, numerous studies have been published on Li Jiaqi and Wei Ya. Most of these studies focus on the characteristics of language, marketing mode, and communication used by these influencers with few studies directing their focus on the overall marketing strategies. The marketing strategies adopted by ecommerce platforms are usually geared towards building the consumers' trust while highlighting the best parts of an organizations' products such as goods and services. Further, livestream marketing strategies are designed to ensure that the live streamer can target and reach as many potential customers as possible while keeping them coming back to the platform. This strategy is enabled by tactics including the use visualized communication approaches such as appropriate facial expressions, eye contact, and body language. Moreover, the market strategy usually relies on the ability of the platform to foster interactivity through the use lo chat boxes which ensures that the viewers and the live streamer can interact in real-time.

The significance of this study is to illustrate key drivers that optimize e-commerce livestreaming marketing strategies to promote or influence consumers' purchase. The other

significance of the study is the proposal of new developmental directions for corporate entities on marketing strategy optimization and ensuring better and effective use of these strategies to obtain successful and greater profits. Users can achieve deep understanding of products while companies can meet users' demand by e-commerce livestreaming function; thus, facilitating the final purchase behavior. In general, the significance of e-commerce livestreaming is shifting the way consumers are utilizing different methods to carry out their daily activities, and often this interactivity approach is beneficial.

#### **1.4. Research Questions**

The paper will draw its inferences and conclusions by formulating the and striving to answer the following research questions:

1. How does e-commerce livestreaming accelerate conversion and improve brand appeal compared to traditional e-commerce strategies?
2. What is the relationship between influencer's e-commerce live broadcast and consumers' emotions and purchase intention?
3. What are the best practices for e-commerce livestreaming and what are the potential risks and challenges that need to be addressed?

## **2. Literature Review**

### **2.1. Influencers' e-commerce livestreaming development and history**

So far, the development of traditional e-commerce platform as an online shopping consumption mode has been integrated into people's daily life: "e-commerce live + influencers". Also, this new consumption mode has made the e-commerce industry increasingly competitive; this section analyzes the reasons for the success of influencer live e-commerce from both macro and micro aspects.

#### **2.1.1. Macro social factors**

In this paper, the analysis of macro factors influencing the live e-commerce will be analyzed from four aspects: political, economic, cultural, and technological.

First, politically, to standardize the development of e-commerce, the legislative process of the Electronic Commerce Law of the People's Republic of China was officially launched as early as 2013 and came into effect on January 1, 2019 (ipkey, 2018). In addition to the various favorable policies introduced by the central government, local governments and e-commerce



platforms have also introduced policies to support the development of live e-commerce. The Guangzhou Municipal Bureau of Commerce issued the "Guangzhou Live E-Commerce Development Action Plan (2020-2022)", which plans to build Guangzhou into a nationally renowned live e-commerce capital in three years, thus playing a positive role in promoting the development of the local live e-commerce industry. As far as live streaming platforms are concerned, Taobao live streaming platform has no threshold for anyone who has a cell phone and the Internet to start selling goods live, which has created 1.7 million jobs in China (huadu, 2020).

Platforms like Taobao Live not only enable the country's economy to grow at a rapid pace but also provide many new jobs and employment opportunities in various industries. As well, 102 farmer training centers have been opened in 23 provinces in China, training more than 10,000 agricultural anchors to sell agricultural products through Taobao Live (Shao & Zhao, 2021). Above, a series of favorable policies launched by the state, local governments, and live streaming platforms for the smooth and rapid development of e-commerce have cleared some obstacles and difficulties for the development of e-commerce, and also provided new jobs for the development of e-commerce industry, thus promoting the innovation and creativity of the development of e-commerce industry, and the e-commerce industry has been rapidly developed under the support of various policies.

Secondly, in terms of economic environment, the rapid development of online shopping is indispensable. As China's economic situation continues to grow, the per capita income of residents is gradually rising, and the per capita consumption capacity is also developing rapidly. According to the "2019-2020 China New Retail Industry Research Report" published by iimedia, online retail sales reached 10.6 trillion yuan in 2019, accounting for 25.7% of total retail sales of consumer goods (iimedia, 2020). The Central Politburo emphasized in its meeting that China should keep the new online consumption status, live e-commerce and online education will make up for the lack of offline consumption in the market economy to a certain extent. Due to the impact of the epidemic in China, both large and small businesses as well as rural businesses have joined the live e-commerce format to stabilize the economy during the epidemic. In conclusion, the economic environment in China is positive for the e-commerce live streaming (People's Daily, 2020).

The third macro-social factor is the cultural environment where the diversity of short-form video platforms gives Chinese viewers a lot of choices for marketing strategies. At the same time, many ordinary people are joining in the creation of short videos, making the platforms

richer and more diverse. Short videos themselves are the future of e-commerce and short videos in China are not only an entertainment creation but also an important marketing tool for retail platforms (Equal Ocean, 2020). As people's access to information becomes more and more diverse, the information disseminated by different mediums is also colliding with each other on the Internet as a vehicle for cultural exchange. On the one hand, audiences are not satisfied with passive information reception, and people are posting on different social platforms, showing themselves, and becoming content makers. Some people also seek a sense of belonging and psychological identity through virtual platforms. On the other hand, because of the fragmentation of the Internet, information dissemination is diverse, and audiences can find cultural circles that appeal to them in a diverse cultural ecology (Saylor Academy, 2012).

Finally, as far as the technical environment is concerned, it is inseparable from the technical support provided by the Internet to the live broadcast of e-commerce. With the rapid development of mobile network, broadband speed has been rapidly improved, traffic costs have dropped significantly, coupled with the continued expansion of public win coverage, the application and promotion of 5G network will enhance the smoothness of the live broadcast process. Therefore, it is necessary to provide audiences with clear, stable, and smooth live picture quality from the perspective of live streaming platform (Li et al., 2022). Through CDN technology, users watching live broadcast can receive the content delivered by the anchor in real time, and the buffering time is short and lag-free when users click on the live broadcast, so that the quality of live broadcast can be greatly improved. From the user's point of view, the equipment of the host and the equipment of the viewer are gradually miniaturized and interactive, i.e., all the operations can be done anytime and anywhere by just having a smartphone (Cevallos Moreno et al., 2021).

### **2.1.2. Micro-individual factors**

Micro-individual factors play a key role in ensuring and optimizing the various opinion leaders and influencers in the various e-streaming platforms that have recently come to characterize the marketing sector. The KOL (Key Opinion Leader) phenomenon in mass media is thought to produce a potent and compelling impact of information, akin to a bullet striking a human body, which subsequently affects the targeted individuals' behavior, decisions, opinions, or attitudes. The process of disseminating information involves two distinct levels of communication that the information must traverse in order to effectively reach the intended audience. These levels include the mass media, which occupies the topmost tier, and the key opinion leaders, who occupy the lowermost tier (Lu and Siegfried, 2021). In the context of e-

commerce live streaming, individuals such as hosts, anchors, influencers, or streamers serve as opinion leaders who disseminate information regarding the products they are promoting to a broad audience.

Likewise, they serve as gatekeepers who determine the nature of information to be disseminated to the audience, which they perceive to have the potential to impact their followers' purchasing attitudes, intentions, or decisions regarding the product. This elucidates the reason behind the substantial fan-following, extensive appeal, and impressive sales statistics of the majority of prominent live streamers (Lu & Siegfried, 2021). Furthermore, Key Opinion Leaders (KOLs) possess a strong ability to comprehend the shopping psychology and needs of consumers, thereby enabling them to generate covert sales during their interactions with consumers. During live streaming, products are typically introduced within a limited timeframe, allowing the host to utilize succinct and impactful language to convey the product's strengths and weaknesses (Lu & Siegfried, 2021). According to Zhang et al. (2021), the anchor's presentation of the product in a visual manner before the camera can serve the purpose of providing an objective and realistic introduction, which in turn can instill a sense of trustworthiness among consumers. This trustworthiness can potentially enable consumers to make purchase decisions with greater confidence. This study examines two Key Opinion Leaders (KOLs), namely Jiaqi Li and Wei Ya.

From a consumer standpoint, certain individuals exhibit a tendency to conform to popular opinion without critical evaluation. Crowd following is a phenomenon in which individuals tend to conform to the opinions and ideas of the majority to form their own judgments. This behavior is commonly referred to as "following the trend" or "going with the crowd". According to Sripanidkulchai et al. (2004), conforming to the majority on the Internet can result in the rapid dissemination of ideas or statements, leading to positive communication outcomes within a specific timeframe. Instances of crowd-following in China include the widely known "e-commerce live pre-sale", "e-commerce live rush", and "celebrity following". Social media platforms facilitate the gathering of individuals with similar interests or within a specific community or subject matter.

Crowd-following behavior exhibits both benefits and drawbacks. One benefit of having a homogenous audience is that individuals with similar interests convene, leading to a shared resonance when deliberating on a particular topic, ultimately resulting in a consensus (TeBlunthuis et al., 2022). Li Jiaqi's Weibo page has attracted a group of followers who share a common interest in beauty and skincare. Occasionally, a fan's comment may garner attention

from other like-minded consumers, resulting in a phenomenon of herd behavior characterized by uncritical conformity to trends. One potential drawback is that group dynamics may exert influence on individual decision-making, leading to conformity and interference in the decision-making process. This may result in individuals making choices that align with the group's opinions or trends, even if they are not personally interested in the product or decision at hand. In summary, despite the advantages and disadvantages, the collective conduct of individuals is expected to foster the advancement of live electronic commerce on a smaller scale, as noted by Guan et al. (2021).

## **2.2. The development history of live e-commerce**

In the early days when internet technology was not developed, TV shopping was the prevalent marketing channel in China and where all kinds of shopping commercials were aired on TV. With the rapid development of Internet technology, the establishment of mobile e-commerce platforms brought a huge impact on traditional TV shopping. In the case of 4G technology and high wireless network coverage, the live streaming industry began to develop in full swing, and the e-commerce industry was keenly aware of the development direction and began to explore "live streaming + e-commerce" (Liu, 2020). The accelerated development of live e-commerce implies that the scholars in the marketing domain have failed to stay abreast with the rapidly evolving industry. By reviewing the development history of live ecommerce, the present paper aims to provide a framework that will help future researchers to identify the various research gaps that exist in this crucial domain.

### **2.2.1. Early Stage: traditional TV shopping**

TV shopping has been introduced to China since 1990 and has become a big hit with consumers due to the novelty of the shopping method. TV shopping refers to a qualified TV channel that shows and introduces products to viewers in detail through live or recorded television, and viewers can call the ordering hotline at the bottom of the TV to purchase the products, and after the seller receives the remittance and the buyer's address, the products are delivered to consumers through logistics to complete the whole transaction process (Xia, 2010). In the pre-development stage of TV shopping, the hosts packaged the recommended products through marketing techniques, introducing how good and inexpensive the products are. And the quality and price of the products have been recognized by consumers. However, many businesses also see the influence of TV shopping and the ability to realize, they swarmed into the normal market order to cause a series of problems. For example, after-sales service is

worrying, especially the problem of false propaganda is the most prominent. The return phone number provided for the products publicly criticized by the China Consumers Association was unanswered many times, which led to consumers' distrust of TV shopping and made it gradually fade out of people's view (Liu, 2020).

### **2.2.2. Mid-term stage**

The development of social e-commerce platform and the birth of webcasting with the improvement of living conditions and network technology, Chinese consumers' consumption concept have also changed with the change of network environment, and online shopping has been accepted by consumers as offline shopping. The development of e-commerce in China in the past 30 years can be divided into the following three stages:

(2000-2009): In 2000, the international Internet bubble burst and the development of e-commerce in China entered a cold winter, during which many e-commerce companies suffered from operational crises and closed (Peng et al., 2012). 2003 was an important turning point in the development of e-commerce in China, with two influential e-tailing companies Taobao in the history of e-commerce development in China. Taobao was born during this period. Taobao started a fierce struggle with eBay, the industry leader at the time, by adopting a free strategy after its launch in 2003, and surpassed eBay and Yahoo in 2005 to become the largest online shopping platform in Asia. While Taobao has steadily renewed people's consumption concept, to stimulate people's consumption desire Taobao created a large-scale shopping promotion carnival "Tmall Double Eleven Shopping Festival" in 2009 and became the largest integrated shopping mall in China, with an annual turnover of 208.3 billion yuan, the Double Eleven carnival has also changed people's consumption habits (Taobao et al., 2012).

(2010-2014): Under the multiple factors of policy support, market demand, capital injection and technology support, China's e-commerce transactions continued to grow rapidly from 2011 to 2014, of which the proportion of online shopping to the total retail sales of social goods has also increased significantly. In the network shopping more and more common, the major e-commerce platform to compete for consumers have also played the e-commerce price war. In 2012, when the CEO of Jingdong(Online Electrical Appliance Mall) Liu Qiangdong announced through Weibo account in the next three years, Jingdong Mall of all the big appliances will remain zero gross profit, and to ensure that at least 10% cheaper than Guomei mall. Suning online store and other enterprises. Once the words came out, Suning will counter through Weibo account and claim that the price of all products in Suning Mall will be lower than Jingdong. When the two giants to fight head-on the rest of companies also join let a fierce

e-commerce price war quickly kicked off. But on the other hand, it is also the fierce competition that has led to the development of e-commerce in China (Gong & Miao, 2022).

(2015-2017): Peaceful development became the main theme in 2015 after the e-commerce platform experienced some killing, so 2015 was called the year of merger, which also marked a new development stage of China's e-commerce industry. In 2015-2017, the number of Chinese online shoppers and online retail transactions increased significantly compared to the scale of 2010-2014, but the growth rate tended to be stable. During this period, Taobao and other e-commerce platforms devoted to developing rural Taobao or rural e-commerce, which also proves that the e-commerce market has also turned from a blue ocean to a red ocean and the development of China's e-commerce industry has entered a relatively stable development stage (Gong & Miao, 2022).

In the post-2017 era, the e-commerce sector in China has undergone a series of advancements and transformations, characterized by the emergence of various trends and developments. Livestreaming has emerged as a prominent marketing tool, especially in the aftermath of the COVID-19 pandemic, representing a significant trend in the industry. The utilization of livestreaming has emerged as a crucial mechanism for brands and retailers to effectively engage with customers and advertise their merchandise. According to Xinhua News (2021), the livestreaming e-commerce industry in China witnessed a substantial growth, with the market value escalating from 433 billion yuan to 961 billion yuan (\$148.2 billion) in 2020.

A significant advancement in the period following 2017 has been the expansion of transnational electronic commerce in China, owing to the rising inclination of Chinese consumers towards procuring commodities from global brands and vendors. As per the findings of a report published by eMarketer, it is anticipated that the sales of cross-border e-commerce in China will escalate to \$190 billion by 2024, which is a significant increase from \$137 billion in 2020 (eMarketer, 2020). The phenomenon has been enabled by the progressive refinement of logistics networks and payment systems, coupled with the surging prevalence of social media platforms such as WeChat and TikTok, which have streamlined the process of international brands establishing a rapport with the Chinese consumer base.

The period following 2017 has witnessed the persistent prevalence of prominent electronic commerce platforms such as Alibaba and JD.com. These platforms have consistently allocated resources towards the development of novel technologies and services aimed at enhancing the quality of the online shopping experience for their customers. Alibaba has recently

incorporated several novel functionalities into its Taobao platform. These include a recommendation engine that utilizes machine learning algorithms and an augmented reality (AR) feature that enables users to virtually "try on" clothing items prior to making a purchase. (TechNode, 2020). In a similar vein, JD.com has made significant investments in logistics technology, such as the implementation of unmanned aerial vehicles and self-driving delivery automobiles, with the aim of enhancing delivery efficiency and minimizing expenses.

### **2.2.3. Present: E-commerce livestreaming as Leading Marketing Platform in China**

At the time of the steady development of the network live, people began to explore livestreaming such as "tourism + live", "food + live" and so on have achieved extraordinary results. In this period, the traditional e-commerce platform is also looking for ways to innovate, so also engaged in the "live + e-commerce" model of exploration. Because the e-commerce is a shopping platform and open the e-commerce platform consumers have the potential consumption awareness, so "live + e-commerce" also attracted great attention. Taobao live, for example: officially launched in May 2016, compared to the previous model of only relying on pictures, text, and small videos to watch the product profile, each anchor in the live room to create their own live room to create the feeling of offline brick-and-mortar stores to give users a sense of intimacy (Si, 2021a).

When recommending products, the anchor can describe and show all aspects of the product from its performance, features, usage, and skills with his professional knowledge. When introducing the details of the products, the anchor will put the products in front of the camera to the maximum extent to give a close-up of the products, so that consumers can clearly see the material, color or the point of the products; when introducing the usage of the products, some anchors will let their assistants act as models, for example, when Li Jiaqi recommends the foundation, he will personally apply half of the face for his assistant, and then compare the half of the face with no makeup, and during the makeup application process The user is shown some tips on how to create a natural-looking foundation and makeup. Users do not just accept the anchor's recommendations while watching the live broadcast, they can ask questions about their ideas in the comments section, and the anchor can select some representative questions in the comments section for a unified response. Since 2016, the model of live e-commerce has been gradually changing consumers' shopping concepts by virtue of low prices and a complete sales process that guarantees quality and after-sales service, and in 2019, the traffic accumulated for several years exploded in the Double Eleven, and Taobao live e-commerce became the shopping platform with the strongest conversion capacity (Liu et al., 2021).

### 2.3. Marketing Strategies

In recent years, marketing strategies in China's e-commerce industry have been constantly evolving to keep up with the changing market conditions and consumer preferences. One notable trend is the increasing use of social e-commerce platforms and live streaming to reach and engage customers. Social media platforms such as WeChat, Weibo, and Douyin (TikTok) have become popular channels for companies to promote their products and connect with consumers. Many companies have also embraced the use of live streaming as a marketing tool to showcase their products in real-time, answer customer questions, and offer special promotions (Zhang, Xu, et al., 2022).

The success of live streaming in China's e-commerce market can be seen in events like the Singles' Day shopping festival, which generated over \$74 billion in sales in 2020, with live streaming contributing significantly to the overall sales (Berthiaume, 2020). Another trend in e-commerce marketing in China is the focus on personalized and targeted marketing. Companies are leveraging big data and artificial intelligence to analyze consumer behavior and preferences and tailor their marketing campaigns accordingly. With the increasing popularity of social e-commerce and live streaming, companies are also investing in influencer marketing to tap into the huge following of popular social media influencers and key opinion leaders (KOLs) in China (Zhang & Erturk, 2022). By partnering with these influencers, companies can gain access to a wider audience and build trust and credibility with consumers.

The concept of marketing strategy involves a methodical approach that organizations employ to attain their objectives through the identification of target markets and the establishment of a competitive edge (Ostravska, 2020). Effective marketing strategies require a deliberate integration of various interconnected elements, such as market segmentation, targeting, positioning, and the careful selection of suitable marketing mix components (Lan, 2023). The integration of these constituent elements results in a cohesive system that effectively appeals to and maintains a customer base, while concurrently augmenting the brand's overall reputation and value proposition.

The marketing strategies within China's e-commerce industry have undergone significant changes considering the emergence of social e-commerce platforms and live streaming as prominent channels for customer engagement (Wongsunopparat & Deng, 2021). The utilization of social media platforms such as WeChat, Weibo, and Douyin (TikTok) has garnered significant attention from consumers and has emerged as a crucial tool for companies



to endorse their merchandise and establish a rapport with their clientele (Wu et al., 2020). The implementation of social e-commerce platforms has facilitated the ability of corporations to access the extensive user populations of these platforms, thereby enabling them to efficiently target a diverse array of potential clientele. The utilization of live streaming has become a potent promotional instrument within the e-commerce industry of China. This technology facilitates the presentation of a company's merchandise in a live setting, facilitates the resolution of customer inquiries, and provides access to exclusive promotional offers (Li, Wang & Liu, 2020). The influence of live streaming on electronic commerce sales is apparent in occurrences such as the Singles' Day shopping festival, wherein it played a substantial role in the unprecedented \$74 billion in sales produced in 2020 (Dai et al., 2021). The interactive and immersive qualities of live streaming generate a perception of immediacy and enthusiasm among consumers, resulting in heightened levels of involvement and intention to purchase.

The practice of implementing personalized and targeted marketing strategies has emerged as a significant trend within the realm of e-commerce marketing in China. Organizations utilize big data and artificial intelligence (AI) to scrutinize consumer behaviours and inclinations, thereby facilitating the customization of their marketing campaigns (Rodgers et al., 2021). According to Wang et al. (2019), the utilization of a data-driven approach enables companies to provide customized products and services, generate pertinent content, and execute focused advertising strategies. Through comprehension of the distinct requirements and inclinations of their intended demographic, enterprises can establish more robust connections with clients and elevate their comprehensive retailing encounter. In addition, the emergence of social e-commerce and live streaming has facilitated the development of influencer marketing in China (Wang & Zhang, 2020). In contemporary times, corporations are progressively allocating resources towards forging alliances with prominent social media influencers and key opinion leaders (KOLs) with the aim of harnessing their extensive audience base and exploiting their sway to endorse merchandise (Wang & Zhang, 2020). Partnering with influencers provides businesses with the opportunity to expand their reach, build credibility, and foster trust with their target audience. The utilization of influencer marketing capitalizes on the potency of social connections and peer endorsements, which hold a substantial influence in the purchasing behaviour of consumers in the Chinese market (Zhang, Shen, et al., 2022).

Several scholarly investigations have examined the efficacy of marketing tactics within the e-commerce sector of China. As evidenced by recent studies conducted by Huang et al. (2021) and Zhang et al. (2022), live streaming has been shown to have a beneficial effect on

customer engagement, brand awareness, and purchase intention. The participatory aspect of live streaming enables consumers to engage in active involvement, seek clarifications, and obtain instantaneous responses, thereby augmenting their sense of engagement and impacting their buying choices. Furthermore, scholarly investigations have delved into the significance of customized marketing strategies in enhancing customer allegiance and organizational efficacy (Yang et al., 2020; Xu & Zhang, 2021). Through the utilization of consumer data and AI algorithms, corporations can customize their marketing communications, product suggestions, and promotional strategies to align with the unique preferences of each individual customer, ultimately resulting in a personalized shopping encounter (Rodgers et al., 2021).

Studies have shown that influencer marketing is a valuable strategy for enhancing brand equity, increasing customer outreach, and boosting sales (Chen et al., 2019; Li et al., 2020). Individuals who are referred to as "influencers" have a considerable number of followers on social media platforms and hold a considerable sway over the purchasing decisions of their audience. Collaborating with influencers provides companies with the opportunity to leverage their pre-existing trust and credibility, ultimately leading to a boost in brand exposure and customer involvement (Zhang, Shen, et al., 2022).

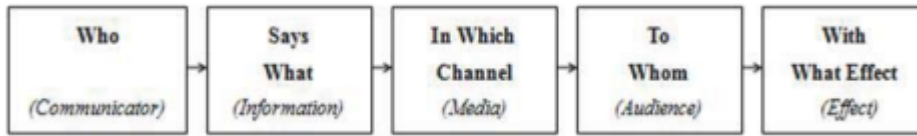
Ultimately, it can be inferred that marketing tactics within the e-commerce sector of China have undergone a transformation in response to shifting market conditions and the evolving demands of consumers. This section presents a thorough analysis of the marketing strategy concept, its constituent elements, and their implementation within the framework of China's electronic commerce industry. The implementation of social e-commerce platforms, live streaming, customized marketing, and influencer partnerships has demonstrated significant efficacy in enhancing customer engagement, sales, and brand allegiance. Numerous studies have thoroughly investigated and substantiated the efficacy of these tactics in the Chinese marketplace, underscoring their importance in attaining commercial goals within the electronic commerce sector.

#### **2.4. Lasswell's 5W of Communication Model**

Harold Lasswell is a communication theorist and a political scientist from American. He developed one of the most influential communication models in 1948 while he was a professor at Yale Law School (Wenxiu, 2015). Lasswell (1948) in his "The Structure and Function of Communication in Society" article as cited by Wenxiu (2015) presented five convenient ways

to describe a communication namely (1) **Who**, (2) says **What**, (3) in **Which** channel, (4) to **Whom**, and (5) with **What** effect?

Hence the model is called “5W” model, as illustrated in Figure 2. (Wenxiu, 2015)



**Figure 2:** Lasswell’s 5W Communication model (Wenxiu, 2015)

#### **2.4.1. Who - Influencer Diversification**

In e-commerce livestreaming, the influencer does not necessarily have to be one person, but can be organized institutions, such as Taobao. Influencers develop communication content and with the rapid emergence and advancement of technology and more sophisticated network equipment, communication content in new media is moving towards to the public as well as giving the public opportunities of producing, publishing, transmitting information, a phenomenon referred as traditional media subversion (Liu Liwei & Guo Xiaoyang, 2013). At present, about 3.2 billion people around the world are using the Internet, out of this people; for example, Taobao remains one of the most popular shopping apps in China with about 875 million monthly active users accounting for 11.2% of the world's population (Statista.com, 2022). Such massive mobile media and network media position in interpersonal communication presents a huge crowd base that determines influencer diversification.

#### **2.4.2. Says What - Massive Information**

Emergence and advancement of digital storage and big data technology have broken limited amount of information barrier that used to be presented by traditional media or e-commerce platforms. For example, on New Year’s Eve of 2012, over 144 billion emails were sent per day through the Chinese Sina Weibo media platform (Wenxiu, 2015). In the same year, the monthly global mobile data traffic was estimated at 1.3 exabytes with over 5 billion mobile broadband subscriptions reported (Wenxiu, 2015). For example, “Gagnam Style” in PSY was the first online video to reach 1 billion views in just five months (Wenxiu, 2015). Such figures highlight the massive information passed through new media.

#### **2.4.3. In Which Channel – Media Interactivity**

The use of new media has enabled and facilitated user-to-user interactivity and user to information interactivity (Wenxiu, 2015). In other words, the livestreaming is a form of new