

Present and future trends of live streaming commerce in the operations management: A structured literature review

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Abstract

With the development of network technology, the Live Streaming Commerce has been set off in China. During the epidemic, Live streaming commerce industry has rapidly risen in the industry with its own advantages and external influence factors. This article mainly introduces the development momentum of live streaming commerce and the development status of the live streaming commerce industry from both internal and external aspects, and puts forward suggestions for the sound development of my country's live streaming commerce in the future.

Keywords: *Live Streaming Commerce; development motivation; development status; development strategy*

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I. INTRODUCTION

With the rapid development of the live streaming industry, many "live streaming +" have emerged, among which Live Streaming Commerce companies stand out. Compared with the commodity information dominated by text and pictures provided by traditional e-commerce platforms, Live Streaming Commerce can provide more intuitive and three-dimensional product information, providing users with an immersive shopping experience. This emerging shopping model has attracted many consumers and has become an important part of my country's online market; however, as an emerging format, there are still many problems in itself. Therefore, it is of profound significance to conduct in-depth research on the development momentum and development status of Live Streaming Commerce.

II. THE DEVELOPMENT MOMENTUM OF LIVE STREAMING COMMERCE

The rise of Live Streaming Commerce is the result of the combined effects of internal and external factors. The two promote and complement each other, giving birth to new industrial forms.

2.1 Inner power.

2.1.1 Profit-driven

Since the emergence of webcasting, Live Streaming Commerce has quickly entered the market with its low cost, low threshold, and high revenue. Live Streaming Commerce is a multi-dimensional marketing network composed of anchors, e-commerce platforms, MCN agencies, and users to connect and promote each other. Among them, the anchor serves the e-commerce platform, and the two play the roles of "buyer" and "seller" respectively; the MCN agency emerges as an intermediary between the anchor and the Live Streaming Commerce, providing them with demand matching services. Therefore, in the Live Streaming Commerce industry, there is a certain kind of interest dependency among various roles. According to statistical analysis, the average monthly income of ordinary anchors is 9,423 yuan, and the higher the popularity, the higher the salary level. The following is the ranking list of the sales volume of the live streaming of the anchor on the Tiktok platform in August 2021 and the total amount of product transactions of the MCN agency based on the statistics of iiMedia Consulting.

Table 1: Tiktok live streaming with goods master list YOP10 in August 2021

Rank	Anchor name	Sales (100 million yuan)
1	Luo Yonghao	5.87
2	Mr. Dong Jewellery	3.72
3	Zhu Zixiao	3.20
4	Great Wolf Dog Zheng Jianpeng&Yanzhen Couple	3.08
5	Jia Nailiang	2.42
6	Rainbow couple	2.36
7	Zi'an	1.97
8	Qi Wei	1.74
9	Lovemimus tour deer	1.72
10	Liu Yuanyuan	1.68

Table 2 : TikTok MCN organization in China' s live streaming e-commerce industry in August 2021

Rank	Institution name	播主数	GMV	Development Index
1	To make friends	2	580 million	100
2	Worry-free Media	228	330 million	90.2
3	Intmart	8	350 million	87.9
4	You Liang Media	54	190 million	77.7
5	Chengdu Hoshino Partners	2	170 million	75.7
6	Lanyan Culture	11	140 million	73.2
7	Master said	61	120 million	73.0
8	Hunan Entertainment	426	10.54 million	72.7
9	Ganpai culture	154	51.3 million	71.8
10	Dayu Network	166	60.74 million	70.4

It can be seen from the ranking list of Table 1 that the top 10 anchors in August 2021 have sales of more than 100 million yuan, Luo Yonghao ranked first with 587 million yuan in sales, Mr. Dong jewelry and Zhu Zixiao followed with sales of 372 million yuan and 320 million yuan respectively. As can be seen from table 2, among the top 10, seven institutions have Gross Merchandise Volume (GMV) as high as billion yuan, and the development index is all above 70, with sufficient development momentum. Among them, "Make a Friend" ranks first with a commodity transaction volume of 580 million. It can be concluded from the two tables that in the e-commerce industry, whether it is an anchor, an e-commerce platform or an MCN agency, it can be obtained in the Live Streaming Commerce industry. Great benefit.

2.1.2 Demand-driven

During the Spring Festival of 2019, a sudden epidemic swept across China, and many industries were in a state of "shutdown". People's consumer demand could not be met in the offline industry, so they turned to online consumption. This has also become a major factor in promoting the rapid development of the e-commerce industry. Compared with the traditional shopping model, Live Streaming Commerce provides consumers with the convenience of "cloud shopping" without leaving home; compared with traditional e-commerce platforms, the main advantage of Live Streaming Commerce is that it provides a new type of immersion Style shopping experience. Live Streaming Commerce introduces product information to customers in real-time, and can show the effects of products to customers more three-dimensionally and intuitively. At the same time, live streaming has the characteristics of entertainment and interaction, which can help people relieve loneliness, release their inner emotions, and even it satisfies the "sense of existence" and "sense of participation" that people cannot obtain in real life, so that more consumer needs are unearthed. This is also a response and catering to the gradual entertainment trend of contemporary society. Therefore, Live Streaming Commerce meets consumers' internal shopping needs to a certain extent, and also conforms to the current market's diversified, personalized and experience-oriented external needs.

2.2 External factors

2.2.1 Technology-driven

The emergence of artificial intelligence technology and 5G technology has greatly promoted the steady progress of the Live Streaming Commerce industry. The Live Streaming Commerce creatively put forward the concept of "cloud shopping", whose solid foundation is Internet technology and communication technology. 5G technology has entered our lives, not only bringing faster transmission speed, higher signal quality, lower

network tariffs, but also giving users a better sense of experience. In addition, with the popularity of smart terminals, people have a lower threshold to enter live streamings anytime and anywhere, which is also a "hard core" guarantee for the development of the Live Streaming Commerce industry.

2.2.2 Policy-driven

As a new business model in recent years, Live Streaming Commerce has complemented the shortcomings of traditional consumption and spawned new forms of employment, which has received strong support from national policies. The "Proposals of the Central Committee of the Communist Party of China on Formulating the Fourteenth Five-Year Plan for National Economic and Social Development and the Long-Term Goals for 2035" clearly stated that it is necessary to comprehensively promote consumption, conform to the trend of consumption upgrading, increase traditional consumption, cultivate new consumption, and commit to policies, economy, etc. help the development of e-commerce live streaming in many ways. As an emerging industry, the key to the stable development of Live Streaming Commerce lies in the support and drive of national policies.

Table 3 is a simple list of some central policies that mention Live Streaming Commerce. It can be seen that in recent years, especially during the epidemic, the central government has clearly supported the development of the Live Streaming Commerce industry. In fact, the Live Streaming Commerce industry has received policy support, both at the central and local levels. For example, Sichuan Province issued the "New Highland Action Plan for Quality Sichuan Goods Live Streaming E-commerce Network Traffic (2020-2022)" to promote the development of live streaming e-commerce; Guangzhou Municipal Bureau of Commerce issued the "Guangzhou City Live Streaming E-commerce Development Action Policy (2020-2022)", proposing a three-year development plan for e-commerce development, and committed to building Guangzhou Province into "the famous Live Streaming Commerce capital of the country "; Hangzhou City is committed to building it into a "nationally famous Live Streaming Commerce demonstration base"; many cities have proposed to build a "live streaming economy headquarters base", and e-commerce anchors are included in the talent introduction plan.

Table 3: Some central policies explicitly mention Live Streaming Commerce

Department	Time	policy
National Development and Reform Commission, Central Cyberspace Administration, 13 ministries including the Ministry of Industry and Information Technology	July 2020	"Opinions on Supporting the Healthy Development of New Business Forms and New Models, Activating the Consumer Market and Driving Employment Expansion" (Fagai High Technology [2020] No. 1157)
Seven ministries including the Ministry of Commerce, the Ministry of Finance, and the Ministry of Human Resources and Social Security	July 2020	"Notice on the Promotion of the Small Store Economy"Shangban circulation letter [2020] No. 215
Office of the State Council	September 2020	"Opinions of the General Office of the State Council on Leading the Accelerated Development of New Types of Consumption with New Business Forms and New Models" (State Measures [2020] No. 32)
National Development and Reform Commission, Central Cyberspace Administration, 28 departments including the Ministry of Education	March 2021	"Implementation Plan for Accelerating the Cultivation of New Types of Consumption"

2.2.3 Market-driven

Since the emergence of Live Streaming Commerce, its low threshold and low cost have attracted many e-commerce platforms and users to participate in it, and its market scale has expanded rapidly. The 2020 e-commerce live streaming industry development report shows that the live streaming market will exceed 2 trillion yuan, the e-commerce live streaming market will reach 961 billion yuan, and the live streaming industry will reach 617 million users, and it will continue to grow. Major platforms such as Tiktok and Kwai have launched many e-commerce live streaming activities to compete for market dividends. The market competition has become increasingly fierce and sharp, which has produced a huge driving force for the development of Live Streaming Commerce.

2.2.4 Opportunity-driven

The arrival of the epidemic has brought huge challenges and pressures to people's lives, but it has brought unprecedented development opportunities to the development of the Live Streaming Commerce industry. During the epidemic, compared with offline industries that were in a state of suspension, online industries were able to flourish. The "home economy" is also following the trend, and residents' consumption concepts and consumption habits are constantly being reshaped. This change has also prompted the continuous transformation of many offline industries to online industries. E-commerce is an important channel for people to consume under the background of the "home economy", while the live streaming is an important medium for the "non-contact economy" and "experience economy" in the digital economy era. Therefore, it is not so much that Live Streaming Commerce is a product of the times, as it is the crystallization of its development that has seized the opportunities of the times.

III. THE DEVELOPMENT STATUS OF LIVE STREAMING COMMERCE

3.1 Features of Live Streaming Commerce

Live Streaming Commerce is the product of the "marriage" of live streaming and e-commerce, and has inherited its advantages in many aspects. Although Live Streaming Commerce is still e-commerce in nature, it presents a brandnew combination in terms of communication characteristics and interactive mode, which is different from traditional e-commerce, which shows the entertainment, interactive, and diversified products of the store, user precision, agile supply and other characteristics.

3.1.1 Entertainment in stores

Different from the traditional e-commerce model, the audio and video of the Live Streaming Commerce are expressed synchronously, and the pictures without any editing process make the shopping experience simple and real. Due to the low cost and low threshold of live streaming, e-commerce platforms have gradually become a huge reality show stage where everyone can broadcast and everything can be broadcast. The anchor introduced and tried the products in the live streaming room, and enhanced the atmosphere through lottery, panic buying, talent performances, and even inviting celebrities to do brand endorsements on the spot. For example, in May 2020, Juhuasuan teamed up with actor Liu Tao to start a scene-based live streaming, adding various elements to the live streaming, attracting many consumers; in November 2021, Li Jiaqi's live streaming room invited Shu Qi to be Winona's brand endorsement to start an immersive live streaming, and added interactive forms of panic buying and lottery in the live streaming room, attracting a large number of users. Watch. Unlike any previous form of selling goods, Live Streaming Commerce is a store but also a show. The integration of a large number of elements makes the store gradually entertaining and interactive.

3.1.2 Commodity diversification

With the continuous expansion of the online e-commerce platform market, coupled with the impact of the epidemic, many offline industries are dying and are forced to transform to online industries, and new consumption methods such as online education and live streaming have continued. While the scale of traditional live streaming users has grown, e-commerce platforms such as Buy Together, Taobao, and JD.com, as well as life platforms such as Kwai, Tiktok, and Weibo, have also entered the live streaming field. The diversified development has resulted in an increase in the number of users in the Live Streaming Commerce industry. Providing "accelerators" enriches the types of commodities in the Live Streaming Commerce industry, and also enriches the content and monetization methods of the live streaming industry.

3.1.3 Accurate users

Live Streaming Commerce can achieve accurate dissemination to target users. First of all, the user chooses to enter the live streaming room, because he is interested in the products in the live streaming room, so that the e-commerce platform can perform big data statistical analysis based on the user's browsing history, and then make personalized recommendations, so that different products will be recommended to the target Users make information dissemination precise. Secondly, users are individuals with specific needs. They enter the live streaming room to meet their own needs, and the live streaming room also gathers users who have the desire to buy together. During the process of watching the live streaming, the interaction with the host will show his interest and attitude towards the product, the anchor can accurately grasp the user's needs by answering the user's questions, which makes the sale of the product easier.

3.1.4 Agile supply

The product supply chain under the Live Streaming Commerce model has undergone qualitative changes. The anchor plays the role of "commodity-user" matching in the supply chain. The anchor uses big data to accurately analyze the fan structure, explore the needs of the audience, and select more suitable products for

shopping guides. In this process, the user makes a second choice among the merchandise carefully selected by the anchor, which effectively reduces the user's decision-making cost and can quickly complete the matching of supply and demand. At the same time, the traditional e-commerce model uses text, pictures, short videos and other methods to promote products. Its content is relatively fixed and lacks flexibility. Coupled with the "lag" characteristics of information dissemination, it is difficult for e-commerce to quickly sense the changes in the needs of users and the market. The live streaming has the characteristics of two-way interaction. The anchor can quickly determine the consumer's willingness and attitude towards the product through the trial sale, so that the supply chain can quickly respond to this change, making it show the duality of flexibility and agility .

3.2 Existing problems of Live Streaming Commerce

Behind the rapid development of Live Streaming Commerce, it is inevitable that there will be mud and sand, and rational "cool thinking" is needed under the "hot background" of its development. Judging from the actual situation of the Live Streaming Commerce industry, it still has the following key issues:

3.2.1 Homogenization of live content

At present, many anchors focus on the fields of food, beauty, clothing and home furnishing, making many live streaming products have a single selling point; in the live streaming process, in addition to attracting consumers at low prices, most of the anchors will use interactions such as spike kills, receipt of coupons, and lotteries. To attract consumers to buy; even some anchors have low professional knowledge and lack of understanding of consumer information, product information, and product benefits during the live streaming process, leading to copying and copying of their marketing models, and all major e-commerce platforms are homogeneous. The phenomenon of chemical competition is serious. In addition, in order to expand the popularity of their products, some brands conduct intensive marketing in major live streaming rooms, and their promotional content is boring, which makes users feel aesthetically tired.

3.2.2 The quality of goods is uneven, and data fraud causes market chaos

Although the Live Streaming Commerce industry is developing rapidly, it is not yet mature and the market system has not been perfected. The market also has a relatively open attitude towards e-commerce platforms and anchors. Some anchors have difficulty attracting mature e-commerce platforms to cooperate. This has led to many illegal elements taking advantage of the situation and using high commissions to induce anchors to sell "three noes" commodities; The Live Streaming Commerce platform or organization did not specify a rigorous and standardized product selection process and requirements, causing counterfeit and inferior products to enter the market and infringing on consumer benefits; even some products were used to brush orders in order to create the illusion of popular products. The anchors and platforms falsified product sales, resulting in false prosperity have seriously disrupted the normal operation of the consumer market.

3.2.3 Live Streaming Commerce platform users are not sticky

People's purchase of a commodity is a one-time low-frequency behavior, and for some consumers or certain commodities, only browsing the graphic information provided by the merchant can already meet the needs of understanding commodity information, and there is no need to watch the live streaming. Watching the live streaming will also cost a certain amount of time. Secondly, after experiencing certain special festivals, such as shopping festivals such as Double Eleven, Double Twelve, and 618, the purchasing power of users will be greatly overdrawn, and the user stickiness accumulated in the live streaming room will gradually weaken, causing loss of users. This has also caused the problem of low user stickiness in Live Streaming Commerce.

3.2.4 Low-price competition accumulates market risk

Competition in the Live Streaming Commerce market is becoming increasingly fierce. In order to attract consumers, many e-commerce anchors use low prices as the main means of "eyeballing". "Small profits but quick turnover" has become a basic requirement for cooperation between e-commerce platforms and suppliers, leading suppliers to adopt low-price strategies as an important means to increase sales, and fierce price wars between different anchors and suppliers. Once this low-price strategy becomes the norm, the absolute price threshold of consumers will be raised, and "small profits" will no longer be able to achieve the purpose of "high sales"; secondly, the continuous decline of product profits and the increase in production and sales will cause management costs. Increasing costs, the phenomenon of "losing money and earning praise"; the most serious thing is that this price game will form a vicious circle, which will reduce the profitability of suppliers, and SMEs will fall into a survival bottleneck. Continued will also increase market imbalances risk.

IV. THE DEVELOPMENT STRATEGY OF LIVE STREAMING COMMERCE

4.1 Live Streaming Commerce:

4.1.1 Create high-quality live content

High-quality live content is the backbone of a virtuous and recyclable e-commerce live streaming ecosystem. Only with rich live content can user stickiness be enhanced. E-commerce platforms should comprehensively build and improve the content and product capabilities of live streaming, establish a pure e-commerce live streaming platform, and create a healthy live streaming environment. To this end, e-commerce companies can introduce experts in the live streaming industry to introduce the professional skills and knowledge of popular science to anchors, invite participants in the commodity supply chain process to introduce various links in the supply chain, show scenes that consumers are not easily exposed to daily, and form barriers to differences in live streaming content; at the same time; Live Streaming Commerce can introduce novel products or services, such as online education, live streaming of agricultural assistance activities, etc. In addition, e-commerce platforms can also innovate live streaming formats and enrich live streaming scenes, such as the relatively successful "New World Phase", and create marketing events to capture the public's attention.

4.1.2 Cultivate excellent professional anchors

In Live Streaming Commerce, the anchor occupies an absolute dominant position. Both the quality of the live streaming and the user stickiness of the platform have a close relationship with the anchor. In the face of the status quo mentioned in the above questions, on the one hand, the live streaming platform can hire a professional marketing team to increase the training of ordinary anchors, improve the professional level of the anchors, and improve the time, skills and literacy of the professional live streaming team; on the other hand, the e-commerce platform can jointly train professional anchors with major universities and conduct targeted training for school students to inject new power into the Live Streaming Commerce industry.

4.1.3 Technological innovation pursues differentiation

According to statistical analysis, China's consumer market is showing an increasingly younger trend. Many technologies such as "immersive experience" have won favor among young people. De Wu (Toxic) has launched a "3D holographic display" that allows users to flip, zoom in, and zoom out. Operate to get more trustworthy product information. At present, many technologies such as 3D spatial reconstruction, scene perception, intelligent detection and other technologies can be applied to the Live Streaming Commerce industry. Live Streaming Commerce is a product of the development of Internet technology, so technological innovation has also become a core means to enhance its competitive advantage. In the era of rapid development of digital technologies such as artificial intelligence, cloud computing, Internet of Things, and big data, Live Streaming Commerce should integrate and innovate based on the background of the times, seek differentiation through technological innovation, and give Live Streaming Commerce platforms new dimensions in multiple dimensions. Competitive advantages.

4.2 Government departments: standardization of laws and regulations

Different from traditional e-commerce platforms, Live Streaming Commerce lacks clear entry thresholds and standard standards for the products recommended by the anchors, which creates conditions for counterfeit and inferior products to enter the market. The Live Streaming Commerce industry involves multi-party cooperation. Once a problem arises, there will be disagreements about who should be responsible for the quality of the product. To this end, government departments should play a role of guidance, support and supervision. On the one hand, they should formulate rigorous laws and regulations, clarify and refine the responsible entities, and focus on the problems of data fraud and false propaganda in the Live Streaming Commerce industry; on the other hand, they should improve the anchors, Platforms and commodity entry thresholds, establish a strict review mechanism, increase penalties for market violations, and clear the gray area of the industry; finally, consumers should be encouraged to actively participate in supervision to ensure the normal conduct of market activities.

4.3 Social organization: multi-party collaboration

A good development environment is an inevitable requirement for maintaining the strong vitality of Live Streaming Commerce, and requires joint efforts from many parties. E-commerce platforms, anchors, MCN agencies, consumers, etc. take on the important roles of the entire industry and maintain the relationships among them, so that the Live Streaming Commerce industry can be stable and far-reaching. It is an important measure to clarify the responsible party. While the anchor has the right to independently select and promote the product, it should also fulfill the obligation to be responsible to consumers and the market. However, under the sound traditional e-commerce platform model, there are still platforms that repeatedly violate laws and regulations, and the self-regulation consciousness of the subjects of various business types is particularly important. Strengthen

the self-regulation and self-monitoring consciousness of each subject in the industry, and create an industrial ecology that is multi-party and win-win.

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