

Key Factors Affecting Consumers' Purchase Intention in Live Streaming E-Commerce: An Empirical Study in China

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ABSTRACT

Live streaming e-commerce is a new mode of shopping that has been introduced over recent years. Understanding the factors affecting consumers' purchase intention is becoming increasingly critical. The purpose of this paper is to present an empirical analysis of consumers' purchase intention in live streaming e-commerce. An inductive qualitative approach was followed. Using the research method of interview, twenty-eight consumers were selected as research samples to explore what factors affect consumers' purchase intention. The interview data was analyzed using a thematic analysis method. The results of this research contain a categorization of seven different key factors, namely streamer's credibility, product evaluation, platform design, price promotion, perceived value, live interactivity and service integrity, together with the interrelationships between them. This study contributes to the literature of live streaming e-commerce, consumer purchase intention and marketing by bridging three disciplines and provides a constructive insight into live streaming e-commerce merchants.

KEYWORDS

Key Factors, Live Streaming E-Commerce, Purchase Intention, Consumers Behaviour

INTRODUCTION

Over the last few years, e-commerce has become an indispensable part of global retail. Like many other industries, the buying and selling of goods was transformed by the advent of the internet, and thanks to the ongoing digitalization of modern life, consumers all over the world now benefit from the perks of online transactions (Feng & Chen, 2022). According to Statista, in 2023, 2.71 billion people around the globe made online purchases from dedicated e-commerce platforms or social media stores. E-commerce is now a \$6 trillion industry and is predicted to reach the \$8 trillion mark by 2027 (Jauhar et al., 2024).

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Traditional e-commerce introduces the product through a single image and text or video description, resulting in low interaction between merchants and consumers using the e-commerce platform (Xu et al., 2023), whereas live streaming e-commerce is a broadcasting practice that brings audio and video of real-time events to viewers over the internet (Hua et al., 2024). As the name implies, live streaming uses video content on digital platforms to sell products and services in real time. Unlike traditional e-commerce, this format is entirely digital, enabling two-way, interactive communication and facilitating swift purchases (Shou et al., 2023). Over 70% of global consumers are more likely to make a purchase after watching a live shopping event (Li et al., 2022). It is estimated that live shopping will account for 34% of total online sales globally by 2024 (Hua et al., 2024), a clear indication of the growth in popularity of live streaming e-commerce around the world.

Much of this growth is due to its convenience, interactivity, and entertainment value. Celebrity endorsements attract and inform consumers, encouraging them to make impulsive purchases (Xu et al., 2022). It is theorized, however, that the development of the online live streaming market will slow down, with consumers becoming less impulsive when making purchases in live streaming rooms (Ma et al., 2022). Therefore, it is in the interest of merchants using live streaming platforms to improve their understanding of factors that influence consumers' intentions to purchase from live streaming e-commerce platforms and to adapt to changing consumer habits and perspectives.

The main focus of academic research into live streaming e-commerce has been on either the improvement of associated technologies (such as the construction of live streaming room scenes or artificial intelligence virtual human live streaming) or the impact of live streaming on e-commerce transactions etc. (Fan et al., 2022; Hua et al., 2024; Mack et al., 2023; Wang et al., 2022). Existing academic literature on live streaming e-commerce has broad scope but lacks in-depth research and discussion on purchase behavior (Chen et al., 2024; Shih et al., 2024). A conceptual framework of live streaming e-commerce consumer purchase intentions would help businesses to improve their marketing strategies and to better target specific consumer markets (Rausch & Kopplin, 2021). This research aims to close this gap by investigating key factors affecting consumers' willingness to purchase from a live streaming e-commerce platform. In this way, the following research question guides this study: what drives consumer purchasing intention in live streaming e-commerce? This central research question is divided into two sub-questions: what factors affect consumers' purchase intention when using a live streaming e-commerce platform, and what are the relationships between the factors identified?

This study focused on the Chinese context because China is the pioneer and global leader in live streaming e-commerce. The livestream market in China has grown 57 times bigger from 2019 to 2023 and continues to expand (Shou et al., 2023). Moreover, China has the highest share of live shoppers in the world, at 81% (Hong et al., 2023). In comparison, other big live commerce markets such as the United States (40%), Germany (26%), and Japan (15%) are far behind (Hong et al., 2023). Therefore, China presents itself as an important and timely context for carrying out this study. The research results will have significance for the study of consumer behavior in live streaming e-commerce in other regions. To gain insight into consumers' perspectives on live streaming e-commerce, a qualitative method was used and in-depth interviews were conducted with 28 experienced participants from different backgrounds. The outcomes of qualitative data analysis resulted in the establishment of a framework that contains 17 types of influencing factors divided into seven major categories.

LITERATURE REVIEW

Overview of Literature on Live Streaming E-Commerce

Live streaming refers to the process of real-time audio and video transmission of events through the internet, while live streaming e-commerce is the process of implementing e-commerce activities and transactions through live streaming (Hua et al., 2024; Zhang et al., 2022). Based on the existing literature, live streaming e-commerce has the following features:

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