

# Based on Consumer Psychology to Explore a New Online Marketing Model: Live Streaming E-Commerce

Yatong Jin

*Birmingham Business School, University of Birmingham, Birmingham, U.K.*

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**Abstract:** With online shopping gradually becoming the main shopping method for consumers, real-time e-commerce has emerged as an emerging marketing model and developed rapidly. This article explores how real-time e-commerce affects consumers' decision-making process and purchasing behavior from the perspective of consumer psychology. By analyzing relevant theories and cases, this article reveals that e-commerce models such as real-time live streaming have to some extent promoted consumption, but also brought negative problems such as impulsive consumption by consumers, false advertising by merchants, serious homogenization of marketing content, and insufficient innovation. Therefore, this article proposes the following suggestions. Relevant departments should pay attention to strengthening quality supervision, encouraging product innovation, and guiding consumers to consume rationally, to promote the sustainable development of the real-time e-commerce industry. Finally, the article suggests that future research can focus on the characteristics of new online marketing models and their relationship with consumer psychology, to further deepen the understanding and exploration of this field.

## 1 INTRODUCTION

In recent years, online shopping has gradually become the main way for consumers to shop. As consumers become more dependent on online shopping, online marketing methods are also constantly innovating. Through the discussion and analysis of consumer psychology theory, there are relatively rich, such as Cheung and Chan's critical analysis of online consumer behavior, and Daryl's establishment of a comprehensive framework for consumer online consumption (Cheng et al., 2005; Darley et al., 20210). However, there is still room for further research on how the new e-commerce marketing model, live e-commerce, affects consumer psychology. Therefore, the study of this new marketing model of real-time e-commerce is very important and urgent. This paper aims to discuss the relationship between this new marketing model and consumer psychology, and how real-time e-commerce affects consumer decision-making. This paper will combine case analysis to analyze how real-time e-commerce uses consumer psychology to achieve rapid development and its marketing effect. Secondly, this paper will critically point out the negative impact of real-time e-commerce on itself,

consumers, society, and the economy. Finally, this paper will propose reform suggestions for the current form and model of real-time e-commerce. At the same time, it will put forward requirements for the regulatory capacity of society and other organizations. At the same time, it is urgent to take the negative impact it brings seriously to reform and improve this marketing model.

## 2 CONCEPT AND STATE

Live e-commerce is one of the many forms of e-commerce, but now it has become the most promising and most popular online marketing model (Wang et al., 2022). Its core feature is to set up a live broadcast room on a platform with a large number of users through real-time live broadcasts to recommend and display products. Brands usually use a variety of strategies to promote live e-commerce operations. Some brands will form professional teams, recruit anchors, and open exclusive brand live broadcast rooms to promote products. At the same time, brands will also send products to celebrities or well-known Internet celebrities, allowing them to use their influence to promote and sell products during live

broadcasts. This kind of live broadcast e-commerce promotion strategy can expose and display products at a high frequency (Ge et al., 2020). Consumers often see live broadcast promotions of the same product multiple times on different platforms, or even on the same platform. This intensive exposure method significantly increases the visibility of the product and can quickly attract many potential customers for the brand. At the same time, it further strengthens the important position of live broadcast e-commerce in the e-commerce market.

### **3 THE KEY REASONS FOR THRIVING DEVELOPMENT**

#### **3.1 The Role of the Authority Effect**

First of all, the authority effect is one of the important reasons for the vigorous development of live broadcast e-commerce. Most consumers are more likely to believe or obey the opinions and recommendations of authoritative or well-known figures (Sikor & Lund, 2009). As public figures, with their wide social popularity and strong influence, the products recommended by celebrities are usually considered to be of high quality by consumers. When some celebrities promote cosmetics, clothing, and other products, consumers often associate their image value with the value of the products, believing that these products can help them get closer to the celebrity's aesthetic and lifestyle (Anselmsson, 2014). When some celebrities promote products such as cosmetics and clothing, consumers will associate their image value with the value of the product. Many Internet celebrities have accumulated many loyal fans by publishing short videos related to fashion or beauty for a long time, and they have established a deep trusting relationship with their fans. Consumers usually refer to some of their clothing and beauty tips. When these influencers start to promote products, consumers will tend to buy the products they recommend because of their recognition of the influencers' aesthetic level and the trust they have established in the past. For example, from the perspective of consumers, when comparing an unknown person with an imperfect body that does not conform to public aesthetics with a celebrity with a perfect body and a superior image who has many fans and followers, consumers will tend to choose healthy foods recommended by celebrities. The reason is that the authoritative image of celebrities makes consumers think that these products are high-quality

and trustworthy, thus speeding up their purchasing decision-making process. In addition, many Internet celebrities further strengthen their authoritative effect by creating an "expert image" in their professional fields. For example, they will analyze the ingredient ratio or technical advantages of the product in detail during the live broadcast, and use a large number of professional terms to create professionalism. This strategy not only makes influencers appear more credible but also gives consumers confidence in the products they recommend. Many consumers are even impressed by these "unintelligible professional terms", further strengthening their willingness to buy. At the same time, many Internet celebrities have accumulated a large number of loyal fans by publishing short videos related to fashion, beauty, etc. for a long time. They have built a deep relationship of trust with their fans through authentic and entertaining content. Consumers will refer to these internet celebrities' dressing suggestions, beauty tips, etc. in their daily lives. When internet celebrities start to promote products, consumers are more inclined to buy the products they recommend based on their recognition of their aesthetic standards and the trust relationship they have established before goods. This trust relationship makes consumers more willing to hand over decision-making power to their trusted influencers when faced with complex product choices.

#### **3.2 Herd Mentality**

Consumers generally have a herd mentality, especially driven by information-based herd mentality, and are more likely to make purchasing decisions in live broadcast rooms (Vedadi & Warkentin, 2020). In the live broadcast room, consumers can intuitively see how many products have been sold. When the products start to be sold in the live broadcast room, the anchor will use data to make other consumers more willing to purchase the product by promoting, for example, how many orders were sold in one second or how many customers have placed orders. These real-time data not only demonstrate the popularity of the product but also convey the product's "high value" signal, thereby enhancing other consumers' purchase intentions.

#### **3.3 Scarcity Effect**

Consumers are affected by the scarcity effect. According to psychological principles, people generally believe that scarce things are more precious and valuable (Wu et al., 2020). When the live

broadcast room makes publicity similar to insufficient inventory or how many orders are left, consumers will not be able to help but make a consumption decision. Live broadcast rooms usually market the scarcity of goods to create a sense of urgency in consumers, which not only makes consumers feel the dual pressure of time and inventory but also further stimulates their impulse to buy. Consumers may make a quick purchase decision out of fear of missing out on the product. In this case, consumers usually do not think rationally about the quality of the product or whether they need the product, which greatly increases the consumer's purchase rate. At the same time, consumers' instant gratification psychology also plays a key role in live shopping. In the live broadcast room, consumers can feel the comfort and sense of accomplishment that their needs are immediately met after placing an order. Instant feedback mechanisms make consumers' shopping experience more pleasant, thereby increasing their purchase frequency.

## **4 PROBLEM ANALYSIS**

### **4.1 Negative Impact on Consumer Psychology and Behavior**

Although the marketing method of live e-commerce can significantly increase consumers' purchasing power, this consumption behavior guided by strong stimulation and promotional activities may have many adverse consequences on consumers' psychology and behavior. Live e-commerce encourages consumers to make quick decisions in the live broadcast room by creating a sense of urgency and a hot-selling atmosphere. By exaggerating the value of goods, emphasizing scarcity or limited-time promotions, anchors often let consumers make purchase decisions in a short period, while ignoring the actual quality and long-term demand of the goods, leading to overconsumption (Hausman, 2000). Although some well-designed promotional activities can increase sales in the short term, they may cause consumers to fall into consumption traps and buy many unnecessary goods, further increasing their economic burden. In the long run, this short-sighted consumption model will cause consumers to be manipulated by prices and marketing orientations, and damage their ability to make rational judgments. In addition, the marketing method of live e-commerce may also make consumers gradually dependent and even form consumer addiction behavior. Some consumers may develop the habit of watching live

broadcasts frequently, and even frequently enter the live broadcast room to shop even if there is no actual demand for new products. This behavior not only consumes a lot of personal time and money but also may cause consumers to unknowingly fall into unnecessary consumption waste, thereby further increasing their economic burden and psychological pressure. For example, some consumers frequently buy large quantities of goods due to limited-time promotions and a rush-buying atmosphere, only to find later that these goods are not necessities or even become idle and wasted.

### **4.2 Personalized Recommendations Violate Privacy**

Live e-commerce platforms provide consumers with personalized recommendations through big data. Although this has improved the shopping experience to a certain extent, it has also brought many hidden dangers (Toch et al., 2012). The platform obtains a large amount of consumer behavior information through precise data analysis, which not only infringes on consumers' privacy but may also cause consumers to fall into repeated consumption and waste of resources. By analyzing consumers' interests and purchasing habits, the platform will repeatedly push recommendations for similar products, making the types of products that consumers are exposed to become single. This phenomenon has exacerbated the problem of commodity homogeneity, limited consumers' range of choices, and increased their dependence on a certain type of product, leading to repeated purchases and further exacerbating waste (Zhang & Kong, 2024). In addition, consumers' dependence on recommended products makes it easy to ignore other products on the market that may be of higher quality or more innovative, limiting the diversity of consumer behavior.

### **4.3 Decline in Product Quality and Innovative Technology**

Although live e-commerce can quickly attract consumers, it also has significant limitations, especially the negative impact on product quality and market innovation. The goods in live broadcasts are often over-beautified or falsely advertised, and the anchors use exaggerated visual effects and verbal descriptions to make the goods look more attractive than they are. However, when watching live broadcasts, consumers cannot directly touch and perceive the actual quality of the goods, and can only rely on the anchor's introduction and a single visual

experience. After purchasing, many consumers find that there is a huge gap between the goods and the live broadcast display and even quality problems. This limitation has led many merchants to reduce product quality and launch low-quality goods in pursuit of short-term profits, which has damaged consumers' shopping experience and further disrupted the market order. In addition, to achieve high-profit margins, many merchants have launched a large number of similar products with the support of platform big data, attracting consumers by reducing quality and price. This low-cost, low-quality competition strategy has led to a significant reduction in the variety of goods on the market. Many goods seem different but are essentially similar, lacking real innovation and diversity. As a result, the commodity market has become single, uniqueness and innovation have declined significantly, and consumers have also lost the opportunity to choose higher quality and differentiated goods when shopping.

The low-quality and low-price competition environment of live e-commerce further inhibits the development of innovative technologies (Liu & Atuahene-Gima, 2018). The advancement of innovative technologies often requires a lot of investment and market trials, but in this environment, merchants are more inclined to occupy the market through imitation and price cuts, while ignoring the long-term potential of products. Merchants pay less and less attention to product differentiation and quality improvement and pay more attention to short-term market share rather than long-term development plans. This phenomenon not only weakens consumers' shopping experience but also hurts the long-term development of the entire industry, further hindering the industry's sustainable development goals. In this market environment, innovative companies often find it difficult to survive because their high R&D costs and initial market exploration make it difficult to compete with low-price competition strategies. Merchants gradually lose their motivation to innovate, and the development of the industry's overall innovative technology is also suppressed, further leading to a decline in market vitality. In the long run, this not only affects the healthy development of the industry but also weakens the diversity and creativity of economic development. Through the above-mentioned sub-theme section structure, the negative impact of live e-commerce on consumer behavior, data privacy, product quality, and industry innovation is fully expressed, and more original sentences are introduced to highlight the core and far-reaching impact of the problem.

## 5 SUGGESTIONS

### 5.1 Enhancing Product Quality Supervision

Strengthening the supervision of live e-commerce product quality is a key reform proposal to promote the healthy development of the industry, which can effectively promote the long-term sustainable development of the industry. Relevant regulatory agencies urgently need to establish a sound commodity quality supervision system

and conduct strict quality inspection and certification for all products promoted and sold in live broadcast rooms. Relevant organizations need to ensure that all goods delivered in online live broadcasts are strictly inspected and meet national quality standards (Trienekens & Zuurbier, 1982). In addition, relevant regulatory agencies should also establish a sound system to strictly supervise the false propaganda of live e-commerce and anchors, and warn and punish merchants and anchors who exaggerate the functions and quality of goods. For example, measures such as banning live broadcast rooms or restricting their sales rights on the platform can be taken to combat false propaganda and reduce the purchase risks caused by misleading information to consumers. At the same time, relevant regulatory organizations should strengthen the evaluation and management of merchants (Braithwaite, 1982). For those merchants who have long failed to meet sales standards, frequently launched low-quality products, or repeatedly violated regulatory regulations, more severe punishment measures should be taken, such as depriving them of the right to continue live sales. Through this mechanism, the illegal behavior of non-compliant merchants can be effectively curbed and the overall quality of the platform can be promoted.

### 5.2 Promoting Innovation and Rational Consumption

In addition to supervision and punishment to promote the reform and rectification of live e-commerce, relevant organizations can also give some positive encouragement to promote merchants to innovate their products. Relevant organizations provide financial and institutional support to merchants to encourage them to increase investment in product research and development and innovation. Let merchants realize that the long-term profits brought by the sustainable development and innovation of products are far greater than the benefits brought by



low-quality or low-price promotions in the short term. At the same time, relevant live e-commerce platforms should also assume the responsibility of guiding consumers to consume rationally. Relevant platforms can provide rational consumption tips and reminders when consumers are about to pay, helping consumers reduce the possibility of impulse consumption due to live broadcasts.

### 5.3 Consumers Help Live E-Commerce Development

When consumers shop on live e-commerce platforms, they should not only pay attention to their own shopping experience but also promote the standardized and healthy development of the live broadcast industry through practical actions. First of all, in live shopping, consumers should pay more attention to the quality of goods, choose goods that have been formally certified, and not blindly pursue the so-called "explosive" or "limited goods". When facing the exaggerated propaganda of anchors, they should make rational judgments and avoid being affected by the temporary atmosphere and impulse. In addition, if it is found that there is false propaganda or quality problems with the goods, consumers should have the courage to report feedback through the platform complaint channel, prompting the platform to supervise the relevant anchors and merchants and purify the shopping environment. At the same time, consumers can also cultivate their rational consumption habits during the shopping process. When faced with various promotional activities in the live broadcast room, consumers should judge whether they have the need to buy, and question and analyze their own purchase decisions and behaviors. Rational consumption can not only help consumers save money but also reduce the subsequent troubles caused by blind shopping. More importantly, consumers' shopping choices can affect the development direction of merchants (Narver & Slater, 1990). Reducing the purchase of low-quality and homogeneous goods can send a clear signal to merchants and platforms, allowing them to pay more attention to product quality and innovation. Supporting brands that launch high-quality, innovative products can encourage the entire industry to move in a healthier and more sustainable direction.

## 6 CONCLUSION

This article analyzes the impact of live e-commerce on consumer psychology, pointing out problems such

as impulsive consumption, false propaganda, homogeneity, and limited innovation. At the same time, it puts forward targeted reform suggestions such as strengthening quality supervision, encouraging product innovation, and guiding consumers to consume rationally, aiming to promote the long-term sustainable development of the live e-commerce industry. With the continuous development of the web, more types of digital marketing will emerge. Future research can focus on the characteristics and connotations of new online marketing models, and explore their relationship with consumer psychology.

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