

The Impact of Livestreaming E-commerce on Consumers and the Society

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Abstract

The development of live-streaming e-commerce has changed consumers' behaviors and reshaped the global economic map, carrying huge implications for the structures of society. This paper analyzes the bifurcated influence of live-streaming consumption on individual consumer welfare and the broader economy, noting its great potential to increase consumer engagement, stimulate impulsive buying behavior, and create jobs. This review, through a synthesis of existing literature, brings forth both the salutary and deleterious consequences of this modern-day phenomenon. While live-streaming e-commerce has brought about economic growth, increased consumer spending, and encouraged innovation in the industry, it also brought unsustainable consumption patterns, issues in supply chains, and regulatory problems. This paper, therefore, depicts a holistic approach to balancing economic benefits with social responsibility and consumers' welfare by presenting insights and recommendations for mitigating its negative effects while maximizing its benefits.

Keywords: live streaming services; overconsumption behavior, consumer impact, consumer well-being, economic impact

Introduction

Live streaming services have rapidly transformed the e-commerce space, acting as a worthy conduit for developing relations between customers and brands through live, interactive settings. With a combination of live video immediacy and direct consumer engagement, the shopping experiences that these platforms have built are ones that virtually bring experiences in-store, even as they maintain the ease of online purchases.

As a result, live-streaming e-commerce has boomed, with Taobao Live, Douyin, and Kuaishou emerging as leaders in China. Google has recorded in 2020 alone an incredible 300-500% rise in the number of live streams around the world, reflecting its widespread adoption and its effect on consumer behavior. This has not only altered the consumption pattern but has also led to massive changes within supply chains, marketing strategies, and the level of interaction between consumers and brands.

Given its potential for transformation, it becomes important to understand how live-streaming e-commerce impacts both consumers and society. Current literature highlights various positive and negative aspects of this phenomenon: from contributing to economic growth and improvement in consumer well-being to inducing impulsive consumption and environmental challenges. However, despite its growing importance, an overall summary of its effects and actionable recommendations to improve it are still lacking. Such a study contributes to the academic discourse by synthesizing the extant body of literature on the impacts of live-streaming e-commerce on consumer behavior, psychological well-being, and broader

societal implications. It will also provide tactical guidance for enhancing the sustainability and effectiveness of live-streaming platforms to reconcile economic benefits with ethical consumption and social responsibility. This would help this paper guide policymakers, businesses, and researchers in ways to maximize the positive impacts of live-streaming e-commerce while overcoming its challenges in real-world practice.

Consumer Impact

Live streaming services have an impact on consumer behavior such as consumption and consumer well-being (Lee & Wan 2023). Thousands of consumers purchase products through live-streaming services every day (Arora et al.). For example, In 2020, Google reported a 300-500% increase in live streaming platforms (cloudinary).

Consumer consumption

Consumer Consumption is defined as a series of value-driven activities that individuals engage in to satisfy their recognized needs (Roach et al. 2019). The act of consumption refers to the process through which goods, services, or ideas are utilized and transformed, creating value for the consumer in the process (Penn State). Live streaming plays a significant role in driving consumer consumption such as impulse purchases, overconsumption, and unsustainable purchases.

By leveraging real-time engagement and emotional appeal to encourage impulsive purchases, (explain impulsive consumption) The interactive nature of live-streaming e-commerce platforms creates a sense of immediacy and excitement, which heightens consumers' emotional arousal and leads to impulsive buying behavior. Specifically, through limited-time offers, flash sales, and direct interactions with influencers or hosts, consumers are enticed to make quick purchase decisions without fully considering the long-term consequences, such as the environmental and social impacts of their consumption (Marjerison et al. 2022).

The format of livestreaming also allows continuous product promotion, feeding into fast fashion's rapid cycle of consumption and discard (Barber 2021). Through real-time social validation, deals, and perceived exclusivity of the products, these consumers are convinced that what they are purchasing is necessary or will save them money, even when items may be unnecessary or not in line with sustainable consumption patterns (Alghanim 2022). This also corroborates with the Cognitive Dissonance Theory, wherein customers rationalize impulsive purchases to rid themselves of feelings associated with regret or missed opportunities (Chen et al. 2024).

One of the striking papers in these proceedings is "Research on the Impact of Live Video Streaming on Customers' Consumption Behavior and Intention" by Yan Yang, which explores how live streaming platforms influence consumer behavior in China. This paper came to the following conclusion: live video streaming, with its discounts and real-time product demonstrations, mostly increases the tendency for impulse purchases in product categories such as food and beauty. This is in agreement with the S-O-R model, which states that stimuli

such as visual stimulation and price discounts create a high level of buying intention within the live-stream platforms.

They utilized the Food and Beverage Cues in Digital Marketing (FBCDM) model to describe how repeated exposure to food-related digital content shapes consumer behavior. In this study, the authors adopted a mixed-methods approach, an exploratory sequential design, to understand variations in the way different digital marketing cues, such as visual stimuli, the support of influencers, and interactive elements, may trigger emotions of excitement or urgency, leading to over-consumption through impulsive decision-making.(Maksi et al. 2024).

The study also highlights how livestreaming bypasses traditional consumer decision-making processes by reducing cognitive control. Consumers, especially younger audiences, are more prone to making quick, unplanned purchases in such environments due to the combination of real-time engagement, social validation, and limited availability of promoted products, which further fosters a sense of urgency and scarcity (Maksi et al.2024).

Live streaming platforms reinforce overconsumption through immediate feedback and audience interaction, creating an immersive environment that amplifies the emotional responses of consumers to various marketing stimuli (Bostrom 2021). Such immediacy and personal interaction facilitate impulsive purchasing behaviors as consumers are subjected to social presence, limited-time offers from influencers, and interactive promotions (Alghanim & Ndubisi).

By fostering an environment where immediate gratification is prioritized, livestreaming e-commerce platforms contribute to the reinforcement of unsustainable consumption patterns, as consumers are motivated by the thrill of acquiring new items rather than mindful, sustainable purchasing decisions (Rosely, Sakarji & Thani 2024). Through immersive shopping experiences and real-time interactions, live-streaming platforms enable consumers to engage with products in ways that go beyond traditional e-commerce (Laurer 2024). This model has boosted consumer purchase intentions by replicating the in-store experience while offering the convenience of online shopping (Aurora et al. 2021).

Consumer Well-being

Consumer well-being is defined as the cognitive and emotional reactions of consumers in response to their consumption experiences (Bhardway 2023). Research suggests that impulsive buying on live streaming services can alleviate stress and other negative emotions (Atalay & Meloy, 2011), increase excitement and pleasure (Verplanken & Sato, 2011), and generate high-arousal hedonistic feelings (Ramanathan & Menon, 2006). Consumers often justify their purchases of unnecessary items by focusing on perceived value, such as securing a good deal or keeping up with trends set by celebrities and influencers. This behavior helps them avoid the regret associated with missing out on savings opportunities (Iyer et al., 2020) and reduces perceived psychosocial risks (Rosely, Shakarji & Thani 2021).

A comprehensive analysis of how impulsive purchasing behavior, driven by influencer-led live-streaming, affects supply chain dynamics. Live-streaming platforms enable real-time interactions between consumers and influencers, which often lead to unplanned purchases. The paper investigates the non-linear effects of impulsive consumption on supply chain profitability, with a particular focus on how manufacturers and retailers can optimize their strategies. (Jiang & Cai 2021)

Social, Environmental, and Economic Impact

Social Impact is defined as specifically concerned with the immediate and tangible effects these changes have on individuals and communities (Sopacts). The rise of online streaming e-commerce has had a significant impact on the country's economy by transforming how consumers interact with brands and make purchasing decisions. (Summarizing sentences)

Customer -Brand Relationships

Specifically, social interaction and personalized engagement through live-streaming have brought up customer satisfaction and loyalty (Wu 2022). Streamers act like virtual salespeople, creating a dynamic shopping environment in which consumers feel more connected with the products being marketed. Such interactions bear influences not only on immediate purchasing decisions but also on long-term brand loyalty (Maksi et al. 2024)

Environmental Impact

The consumption pattern of livestreaming e-commerce negatively affects the environment, contributing to an estimated 17 million metric tons of discarded clothing, according to the Environmental Protection Agency (Geyer & Law, 2017). Rapid fashion consumption exacerbates consumer behavior trends that prioritize purchasing over actual use, leading to significant social and environmental concerns (Rosely, Shakarji & Thani 2021).

Economic Impact

Wehling (2024) finds that impulsive buying behavior while boosting short-term sales, can pose challenges to supply chain efficiency if not managed properly. Pricing strategies and the promotion of high-value products were identified as crucial elements for maintaining profitability and consumer satisfaction. The study emphasizes the importance of addressing post-purchase consumer satisfaction to mitigate the risks of buyer's remorse and product returns, which can negatively impact supply chain operations. (Jiang & Cai 2021).

In particular, according to a study by Tindal (2023), e-commerce through live streaming has ballooned in China, habitually shaking up the economy by changing the way people shop, forcing sales, and forcing new business models. Brands can connect in real-time with consumers and offer instant demonstrations, Q&A sessions, and limited-time deals through Taobao Live, Douyin, and Kuaishou, among other live-streaming platforms. This kind of format

replicates in-store shopping experiences, while fostering high engagement and impulsive purchases (Tindal 2023). For many brands, especially small and medium enterprises (SMEs), it has become a cost-effective way of reaching a large audience without having to resort to traditional advertising channels.

The economic impact brought by this trend is considerable. The market for live-streaming e-commerce in China jumped 196% to US\$180 billion in 2020 alone and is expected to break the US\$1 trillion mark in 2026. The boom has created millions of jobs not only for its hosts, influencers, and supply chain operators but also for an ecosystem that thrives on ancillary service providers in logistics, marketing, and content production (iresearch). However, this has come with several challenges, which include stretched supply chains and regulatory concerns over consumer rights and the quality of the products, forcing the government to impose guidelines on quality control and ethical marketing (Zhang 2024).

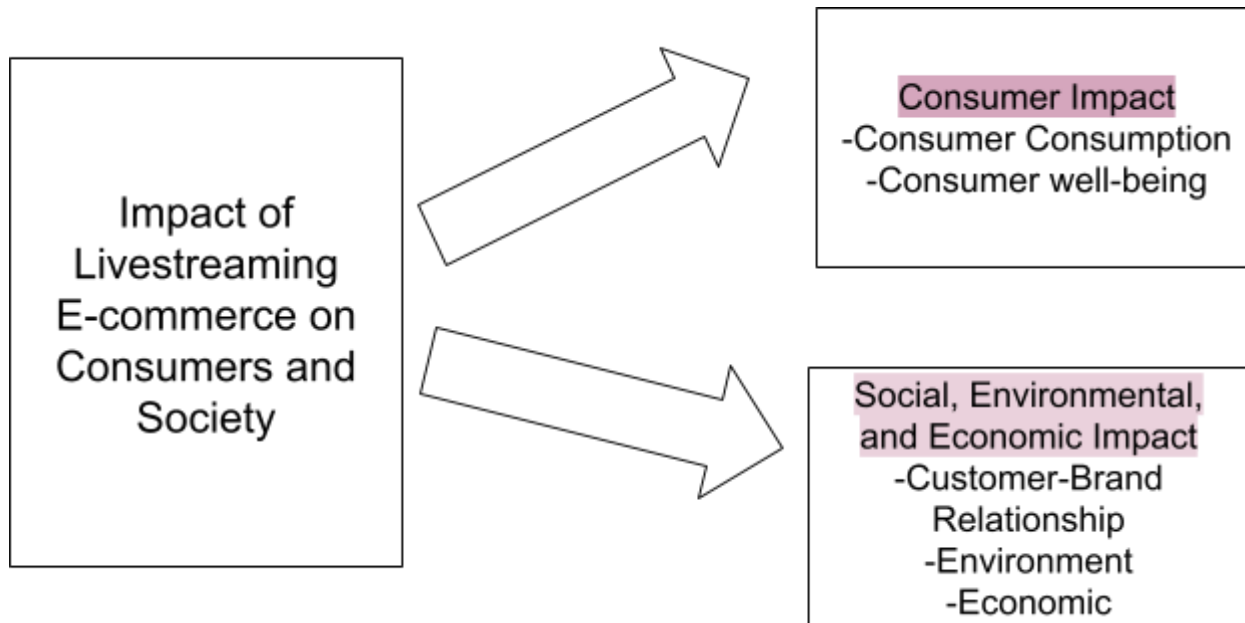
Implications and Conclusion

Though the research on the impact of live-streaming consumption on consumers and society can go both ways, showing positive and negative effects, respectively, it changed consumption by placing consumers in a high-engagement environment where brands can connect directly with them through various interactive features such as live demonstrations, Q&A sessions, and exclusive discounts. Accordingly, live streaming has cultivated a fast-moving consumption culture, where little or no concern for sustainability is considered, fostering overconsumption and all the environmental problems associated with fast fashion and disposable goods. Policymakers should mandate clear and honest disclosures by influencers and brands during live-streaming sessions. This includes identifying sponsored content, verifying product claims, and providing accurate information about product quality and sustainability. Transparent practices can help consumers make informed decisions and reduce instances of impulse purchases.

Socially, livestreaming e-commerce has created several million jobs in China; this includes hosts, influencers, and related sectors like logistics, marketing, and content creation. This economic development supports employment in the regions, consumer spending, and other economic activities; their most significant challenges also come from here. It involves forcing supply chains to flexibly respond to unpredictable demand and creating regulatory issues related to consumer rights and product quality. Due to this fact, the government has needed to establish guidelines on ethical marketing and product quality control.

In a nutshell, if live-streaming e-commerce increases economic opportunities and enhances consumer participation, it also brings forth concerns regarding unsustainable modes of consumption and supply chain tension, hence requiring a balanced approach that embeds consumer well-being, social responsibility, and regulatory oversight.

Framework:



Citations:

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