Are Live Streamers Similar or Different? Grid Typology Model of Live Streamers in E-commerce

Dingtian Zhang
School of Business Administration, Southwestern University of Finance and Economic, Chengdu, 611130, China

Yi Wang
School of Business Administration, Southwestern University of Finance and Economic, Chengdu, 611130, China, wangyi63@swufe.edu.cn

Qinyi Zhou
Andrew and Erna Viterbi School of Engineering, University of Southern California, Los Angeles, 90089, USA

<u>**Short Research Paper**</u>

Are Live Streamers Similar or Different? Grid Typology Model of Live Streamers in E-commerce

Dingtian Zhang[1], *Yi Wang*[2*], *Qinyi Zhou*[3]

[1]School of Business Administration, Southwestern University of Finance and Economic, Chengdu, 611130, China

[2]School of Business Administration, Southwestern University of Finance and Economic, Chengdu, 611130, China

[3]Andrew and Erna Viterbi School of Engineering, University of Southern California, Los Angeles, 90089, USA

Abstract: As a new type of consumption in the digital economy era, live streaming shopping has become popular among e-commerce consumers. The success of live streaming e-commerce is largely determined by the qualities of live streamers, and how to evaluate live streamers is a critical topic in e-commerce. Researchers have paid little attention to the complex nature of live streamers and mainly view them as salespersons. Furthermore, no efforts have been conducted to comprehensively identify their typology. To address these gaps, in this study examining live streamers simultaneously from the perspectives of salespersons and spokespersons is proposed. A Live Streamer Grid Typology Model is developed by assessing the qualities of live streamers in terms of their abilities as salespersons and spokespersons.

Keywords: live streaming shopping, live streamer,sales, spokesperson, Live Streamer Grid Typology Model

1. INTRODUCTION

According to the China Retail Traffic Index report conducted by Linkshop (2020)[1], the overall retail traffic in January 2020 dropped by 22% year-on-year because of the impact of the COVID-19 epidemic. Live streaming shopping, on the contrary, was prosperous in 2020. According to the Ministry of Commerce of China (2020) [3], live streaming e-commerce sales reached 10 million in the first half of 2020. There are 400,000 active live streamers, 50 billion streaming viewers, and more than 20 million products in the live streaming market. Promising live streaming e-commerce, created by Li Jiaqi, the Lipstick Big Brother, and Wei Ya, the Taobao live streaming host, have attracted extensive attention among Internet celebrities, traditional celebrities, brand owners, and online stores[3]. Many companies offering diverse products and services, such as traveling, financial services, and food delivery services, are reaching consumers through live streaming. The era in which "everything can be live streamed, everyone can live stream, everywhere can be live streamed" is coming. Live streaming e-commerce has provided a more effective environment for the interaction between streamers and consumers. Moreover, live streaming e-commerce based on user-generated content is more trustworthy for consumers compared with traditional e-commerce[4].

In July 2020, the Ministry of Human Resources and Social Security of the People's Republic of China[5] added the "live streaming salesperson" post in the Internet marketing profession, which means that the live streaming e-commerce industry has entered a stage of standardized and orderly development. After the market dividend period of live streaming, the live streaming e-commerce industry has challenged the comprehensive strength of live streamers and the degree of refined operation of the team behind them. The professionalization of the live streamer also promotes the development of the live streaming e-commerce industry. For example, Yiwu has released the assessment of "Specialized Occupational Ability Assessment Certificate for E-commerce Live Streaming Practitioners"[6]; more multi-channel networks (MCNs) are joining to train professional hosts[7], and a

considerable number of universities in China have established live streaming professional training programs and made live streaming an official course[6]. These changes urgently require us to solve various problems, such as how to measure and train the comprehensive ability of live streamers. In this context, considering the endorsements and sales attributes of the live streamer simultaneously would provide directions for solving these problems.

Prior studies have been focused on this problem, trying to distinguish the types of live streamers and study the impact of different characteristics of live streamers on consumers[8][9]. Some scholars divide the skills of live streamers into four categories, i.e., transaction, persuasion, content generating, and relationship building, using them to explain the various activities of live streamers[10][10] . This research mainly focuses on the salesperson nature of live streamers. Other scholars have also studied lives streamers by emphasizing their roles as spokespersons[11][12]. They argue that live streaming shopping can create a more effective environment for celebrities to interact with their fans. Of course, live streamers should pay attention to matching the product with their own image; otherwise, fans may think that he or she is a commercially motivated marketer[12]. In such studies, scholars devote more attention to the live streamer's spokesperson ability. Overall, research in this area is still in its infancy, and includes the following gaps.

First, the dimensions of evaluating live streamers are not comprehensive. Some scholars[12][13][14] only focus on the characteristics of live streamers in some ways. Wongkitrungrueng and Assarut (2020)[14] examine the main live streamers' sales methods in live streaming rooms without evaluating the influence of live streamers. Kang (2014)[13] and Kim (2013)[15] examined the factors of live streaming shopping, such as live streamer reputation, social presence, and service quality. The main aspect that has been neglected is the instant interaction between live streamers and consumers, which is one of the most salient characteristics of live streaming e-commerce. Therefore, how to comprehensively evaluate live streamers is a major gap in this research area.

Second, the scope of live streamers to be evaluated is not sufficiently comprehensive. Some scholars[8] have limited their focus to top-tier live streaming hosts and ignored other types of live streamers which limits the applicability of their conclusions.

Third, the dual attributes of live streamers as spokespersons and salespersons are not simultaneously considered. In defining live streamers, some scholars consider live streamers as online sellers[14]. Some scholars also consider the role of live streamers as representatives or spokespersons in live streaming e-commerce[12]. One must consider these two abilities at the same time to better understand live streamers.

After analyzing the literature on live streaming e-commerce, the present research, through focusing on the sales and spokesperson abilities of live streamers, intends to address the following questions.

1. How to comprehensively measure live streamers' abilities?
2. How to develop a Live Streamer Grid Typology Model?

2.　THEORY DEVELOPMENT

Live streaming is considered as a form of synchronous social media, and contains simultaneity[16] and authenticity[17][17].The combination of live streaming and e-commerce has generated live streaming e-commerce, which contains not only social commerce properties[18], but unique media properties as well[15]. In this study, both the commerce and media attributes are considered.

With live streamers at the core of live e-commerce, the question "what kind of live streamers are more popular among live streaming shoppers?" has been widely discussed by scholars. Wongkitrungrueng et al. (2020)[14] studied marketing strategies adopted by live streamers in live streaming rooms, and summarizes 4 marketing methods and 12 marketing strategies. Assarut and Wongkitrungrueng (2020)[10] focus on live streamers as small individual sellers and argue that live streaming has become a direct selling tool for many individual sellers, such

as Taobao merchants. Huang et al. (2020)[19] analyze the sales expression skills of successful live streamers from the perspective of discursive strategies. Park and Lin (2020)[12] examine the fit between live streamers and products by applying theories related to celebrity endorsement. This line of research treats live streamers as "WangHong"[20], those that are influential and have gained a certain number of fans on social media platforms. Along with the increasing popularity of social media, "WangHong," with numerous fans, generate commercial value and serve as key opinion leaders (KOLs). Just as live streaming has both social business and social media attributes, live streamers should have both the abilities of salespersons and spokespersons. Therefore, in this study live streamers are examined as salespersons and spokespersons simultaneously. A Live Streamer Grid Typology Model is developed by assessing the qualities of live streamers in terms of their abilities as salespersons and spokespersons.

2.1 Live streamers as salespersons

Retailing literature has a long history of classifying salespersons. In the present study, the primary literature in this field is used as a theoretical basis to construct a classification system for live streamers based on sales abilities. In 1986, Moncrief[21] empirically developed a classification system for sales jobs by conducting clustering analysis of 121 sales activities, and categorized salespersons into institutional sellers, trade service providers, missionary sellers, order takers, and residuals. However, due to dramatic changes in sales work in the 21st century[22], it is slightly inappropriate to apply this typology to classify live streamers. Based on Moncrief (2020)[22], unfit indicators, i.e., travel, office, and recruiting, which are specific to offline traditional sales channels, are excluded herein. Indicators are selected to evaluate the sales abilities of live streamers, e.g., relationship (whether the relationship with customers is good), entertaining (online and offline interactive activities with customers), product support (self-support or agent), and promotional activities and sales services (live broadcast room activities and pervasive skills). Other important indicators for measuring the sales abilities of live streamers are expression skills (the ability to introduce products) and cooperation (e.g., whether there is an assistant in the live broadcasting room). These six indicators are used comprehensively measure the qualities of live streamers in playing the salesperson role.

2.2 Live streamers as spokespersons

Live streaming e-commerce is classified as either traffic economy or fan economy. Live streamers intensively communicate with consumers and provide extensive content on social media aiming to establish credibility and influence consumers' decisions and behaviors[20]. In this way, live streamers act as spokespersons and ambassadors of products or brands. Some studies have focused on the spokesperson nature of live streamers. For example, Liu et al. (2021)[23] evaluate live streamers based on live streamer-customer intimacy and focus on several attributes of live streamers, e.g., authenticity, similarity, and customer response capability. Xu et al. (2020)[9] also apply the literature on spokespersons and introduce attractiveness as a key characteristic of live streamers. Wang and Yu (2020)[8] further examine whether live streamers are celebrities and argue that this feature could impact live streamer performance. Consistent with the above mentioned studies, the celebrity endorser scale developed by Ohanian (1990)[24] is explicitly used in this paper to measure the spokesperson abilities of a live streamer in terms of attractiveness (the live streamer's facial and physical attractiveness), trustworthiness (the extent to which consumers trust the live streamer), expertise (the extent to which the live streamer is perceived by consumers as a source of effective claims), and influence (the live streamer's appeal among fans).

2.3 Live Streamer Grid Typology

In the present study, live streamers are classified by assessing the qualities of live streamers in terms of their abilities as salespersons and spokespersons. In particular, a Live Streamer Grid Typology Model is proposed to identify five types of live streamers, i.e., grassroots, sales, expert, traffic, and omnipotent (shown in Figure 1).
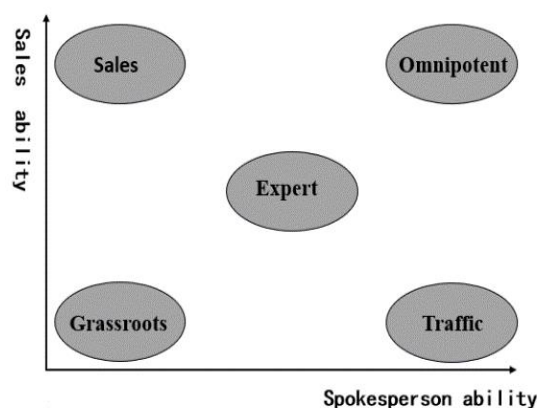
Figure1. Live Streamer Grid Typology

Grassroots live streamers. Grassroots live streamers are those at the lower levels of the live streaming pyramid. These live streamers have mediocre language skills and sales techniques to attract consumers, which means they are hardly superior salespersons or influential spokespersons. Grassroots live streamers have a limited number of fans and thus their live streaming rooms are usually not crowded. They are live streamers more out of their own personal interests and live streaming provides them opportunities to express themselves[25].

Sales live streamers. Sales live streamers are becoming increasingly more crucial in the live streaming market. Compared to grassroots live streamers, they have a clearer understanding of products. In China, major Taobao e-commerce and well-known brands (Bai Cao Wei, Li Ning, and others) are cultivating live streamers for their products. These live streamers usually have excellent sales skills. For example, they can accurately describe the advantages of products and solve consumers' problems quickly. In addition, most of the products sold in the live broadcast room are promotional products. Although sales live streamers are not as powerful as omnipotent live streamers and will not interact with consumers too much, they can perform well regarding the appeal of the brand itself and low-cost advantages of products.

Expert live streamers. Expert live streamers are those who have achieved some previous successes in a certain domain,and,as a result,have a large number of fans in their respective fields. These live streamers intend to leverage their reputation and influence in specific domains to sell related products (e.g., e-gaming bloggers). In terms of sales attributes, these live streamers can clearly describe product features and accurately understand consumers' needs by virtue of their knowledge ability. In terms of endorsement attributes, they have a stable fan base[11]. These live streamers are usually KOLs and influence consumers by using their own V-blogs, specialties, and attractiveness.

Traffic live streamers. Traffic live streamers comprise the most unstable group in the entire body of live streamers. Li Xiang, a well-known hostess with a large fan base, is an example. They can not only easily initiate a hot and viral topic among fans, but also provide credible endorsements for products they sell[2]. Traffic live streamers are only responsible for attracting consumers with service activities conducted by their assistants. They are best suited to sell products that match their personalities and features. When the products do not match their personalities or features (for example, frying pans sold by a female movie star often portraying royalty), it may disappoint consumers[12]. In summary, traffic live streamers could be perfect spokespersons, but are inferior in sales because of their poor sales skills.

Omnipotent live streamers. Omnipotent live streamers are those standing at the top of the live streaming hierarchy. Wang and Yu (2020)[8] believe that Wei Ya and Li Jiaqi are the representatives of this type in China. They are often listed as Taobao top-tier live streaming hosts. They have excellent sales skills, which help them to improve customers' purchase intentions, describe products, and maintain a close relationship with their fans. Many unknown brands often become popular overnight because of their recommendations. In the eyes of consumers,

they are the spokespersons for high-quality and inexpensive products.

By constructing the Live Streamer Grid Typology Model, most of the live streamers in the live streaming e-commerce market can be classified, their strengths and weaknesses clearly pointed out, and future research on the interaction between live streamers and consumers continued to be developed. In addition, the model can provide a useful frame of reference for studies in the field of live streaming shopping.

3. FUTURE RESEARCH

Based on the proposed Live Streamer Grid Typology Model, we will further explore how the features of different types of live streamers and the live streamer-consumer interaction influence consumers' decisions and behaviors. This study can clearly illustrate the interaction mechanism between live streamers and consumers, showing how various types of live streamers influence consumer purchasing in different ways. A conceptual model will be developed to examine these effects. It is believed that this study can offer useful implications for practitioners.

To evaluate the model (shown in Figure 2), data from various sources will be collected and analyzed. First, archival data (such as consumer comments, number of consumer likes, number of consumer orders, number of active consumers, and so on) of live streamers will be collected. These data can facilitate the analysis of patterns of interactions between live streamers and their consumers. For instance, the sales attributes of streamers can be measured by order volume and their spokesperson attributes can be measured by multiple indicators, such as consumer likes and the contents of streamer-consumer interaction. Next, live streaming clips of streamers will be captured and analyzed to assess sales skills of streamers and to identify their styles. Furthermore, a questionnaire will be used to collect data to measure consumers' attitude toward steamers and behaviors.
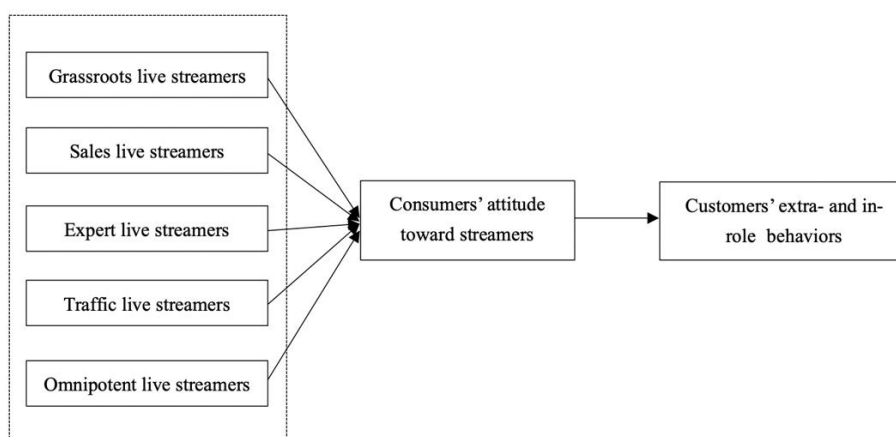

Figure 2．Future research model

REFERENCES

[1] ShopperTrak (2020). China retail traffic index report. Http://www.linkshop.com.cn/web/archives/2020/455054.shtml. (in Chinese)

[2] Souhu(2020). Live Streaming with Goods Industry Insight Report 2020. https://www.sohu.com/a/403847596_712171. (in Chinese)

[3] KPMG and Aliresearch (2020), Towards a trillion dollar market for live e-commerce. https://pandaily.com. (in Chinese)

[4] Gong, Wanqi; Li, Xigen (2017): Engaging fans on microblog: the synthetic influence of parasocial interaction and source characteristics on celebrity endorsement. In Psychol. Mark, 34 (7): 720–732.

[5] Ministry of Human Resources and Social Security of the People's Republic of China (2020). Notice on the release of occupational information such as blockchain engineers and technicians. http://www.mohrss.gov.cn. (in Chinese)

[6] News Agency (2020) .The "live streamers" has a certificate of professional competence in e-commerce live.

http://csj.xinhuanet.com/2020-05/13/c_139051851.htm. (in Chinese)

[7]   iiMedia Research (2020). Statistics of Livestreaming: Taobao Livestreaming Platform Boasts 20,000 Hosts in 2019. https://www.iimedia.cn/c1061/69517.html. (in Chinese)

[8]   Wang, Xinmin; Yu, Siqi (2020): What Elements Drive the Sale in E-Commerce Live Broadcasts Most in China? In Frontiers in Economics and Management, 1 (12): 281–288.

[9]   Xu, Xiaoyu; Wu, Jen-Her; Li, Qi (2020): What Drives Consumer Shopping Behavior in Live Streaming Commerce?. In Journal of Electronic Commerce Research, 21 (3): 144–167.

[10]   Wongkitrungrueng, Apiradee; Dehouche, Nassim; Assarut, Nuttapol (2020): Live streaming commerce from the sellers' perspective: implications for online relationship marketing. In Journal of Marketing Management, 36 (5-6): 488–518.

[11]   Zhao, Qun; Chen, Chun-Der; Cheng, Ho-Wen; Wang, Jin-Long (2018): Determinants of live streamers' continuance broadcasting intentions on Twitch: A self-determination theory perspective. In Telematics and Informatics, 35 (2): 406–420.

[12]   Park, Hyun Jung; Lin, Li Min (2020): The effects of match-ups on the consumer attitudes toward internet celebrities and their live streaming contents in the context of product endorsement. In Journal of Retailing and Consumer Services, 52(C): 1-6.

[13]   Kang, Ju-Young M.; Johnson, Kim K. P.; Wu, Juanjuan (2014): Consumer style inventory and intent to social shop online for apparel using social networking sites. In Journal of fashion marketing and management, 18 (3): 301-320.

[14]   Wongkitrungrueng, Apiradee; Assarut, Nuttapol (2020): The role of live streaming in building consumer trust and engagement with social commerce sellers. In Journal of Business Research, 117 (C): 543–556.

[15]   Kim, Sanghyun; Park, Hyunsun (2013): Effects of various characteristics of social commerce (s-commerce) on consumers' trust and trust performance. In International Journal of Information Management, 33 (2): 318–332.

[16]   Scheibe, Katrin; Fietkiewicz, Kaja J.; Stock, Wolfgang G. (2016): Information Behavior on Social Live Streaming Services. In Journal of Information Science Theory and Practice, 4 (2): 6–20.

[17]   Tang, John C.; Venolia, Gina; Inkpen, Kori M. (05072016): Meerkat and Periscope. In Jofish Kaye (Ed.): Proceedings of the 2016 CHI Conference on Human Factors in Computing Systems. CHI'16: CHI Conference on Human Factors in Computing Systems. San Jose California USA, 07 05 2016 12 05 2016. New York NY: ACM, 4770–4780.

[18]   Shadkam, Mahdi; O'Hara, James (2013): Social commerce dimensions: The potential leverage for marketers. In The Journal of Internet Banking and Commerce, 18 (1): 1–14.

[19]   Huang H, Blommaert J, Van Praet E(2020): "OH MY GOD! BUY IT!" a Multimodal Discourse Analysis of the Discursive Strategies Used by Chinese Ecommerce Live-Streamer Austin Li, International Conference on Human-Computer Interaction: 305-327.

[20]   Li, Ruohan (2018): The Secret of Internet Celebrities: A Qualitative Study of Online Opinion Leaders on Weibo[C]//51st Hawaii International Conference on System Sciences: 533-542.

[21]   Moncrief III, William C. (1986): Selling activity and sales position taxonomies for industrial salesforces. In Journal of Marketing Research, 23 (3): 261–270.

[22]   Moncrief, William C.; Marshall, Greg W.; Lassk, Felicia G. (2006): A Contemporary Taxonomy of Sales Positions. In Journal of Personal Selling & Sales Management, 26 (1): 55–65.

[23]   Liu, G. H., Sun, M., & Lee, N. C. A. (2021). How can live streamers enhance viewer engagement in eCommerce streaming? In Proceedings of the 54th Hawaii International Conference on System Sciences: 3079-3089

[24]   Ohanian, Roobina (1990): Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness. In Journal of advertising, 19 (3): 39–52.

[25]   Yang,Guangying (2019): The Production of "Exquisite and Poor Quality Images" and the Formation of "Virtual Community Consciousness" - On the Generation Mechanism of Youth Subculture in ShakeYin Short Video Community. In China Youth Study, 19 (6) :79–86. (in Chinese)