

Analyzing the Effectiveness of Live Stream Shopping Events in Driving Online Sales

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Abstract

This research paper investigates the impact of live stream shopping events on online sales performance, focusing on two primary objectives. The purpose of this study is to evaluate the relationship between online sales performance after a live stream shopping event and indicators like viewership and engagement. By means of an extensive examination of information obtained from several live streaming purchasing occasions, the study aims to establish measurable connections between viewing trends, interaction levels, and the consequent sales figures.

The purpose of this study is to determine and examine the factors that most strongly influence the success of live streaming shopping events. The study explores the several factors, such as content quality, presenter expertise, product presentation, and technological characteristics, that influence the efficacy of live stream purchasing by utilizing both quantitative and qualitative research methodologies. The intention is to give marketers and companies that want to improve their live stream shopping tactics useful information.

This research adds significant insights into the changing e-commerce and consumer behavior landscape by methodically analysing real-world live stream shopping experiences and the ensuing online sales outcomes. The results may help companies identify the essential elements of successful live streaming shopping, which will enable them to create more focused and efficient online audience engagement and sales strategies.

Keywords : Customer purchasing behaviour, Online sales, Live stream shopping, Customer engagement, Marketing.

Introduction

Live streaming shopping events have become a disruptive force in the ever-changing world of e-commerce, changing the way consumers interact with brands and how online retail operates. A fusion of entertainment, social interaction, and commerce, live stream shopping is defined by in-the-moment interactive video broadcasts showcasing goods and services. In order to shed insight on the complex interactions between viewership metrics, engagement levels, and eventual sales success, this research critically examines how effective live stream shopping events are at boosting online sales. Businesses looking to stay ahead in the competitive e-commerce industry must comprehend how live streaming affects customer purchasing behavior as consumers want for more immersive online experiences.

By looking beyond the obvious observations to identify the fundamental causes of their success, this study aims to clarify the complex relationship between live stream shopping events and online sales. Through an examination of various live stream events—from celebrity influencers to specialized product demos—the research seeks to provide a thorough grasp of the complex factors influencing the results of these interactive commerce encounters.

Businesses have the difficulty of not just attracting but also holding on to online customers' attention and loyalty as the digital world develops. With its unique combination of commercial appeal and entertainment value, live stream

shopping offers a viable solution to this problem. This study aims to provide businesses, marketers, and researchers with useful insights by providing a more in-depth analysis of the live streaming phenomenon and its potential to influence online retail in the future.

Objectives

The study focus on examining and analysing on the basis of two main objectives, which include:

1. To understand the relationship between live stream shopping event and online sales performance.
2. To explore and analyse the elements that contribute most significantly to the success of live stream shopping events

Scope of the study

This research project will investigate live streaming retail events in the context of online shopping. The study will concentrate on various businesses and platforms, examining a variety of live streaming events to guarantee a representative sample. The study will use both quantitative and qualitative analytics to examine the relationship between key metrics (viewership, engagement) and subsequent online purchases. Furthermore, the scope include the identification and analysis of factors that contribute to the success of live stream shopping events, offering valuable insights that businesses and marketers can utilize to navigate the dynamic world of digital retail.

Need for the study

The study responds to the need for information about how well live streaming shopping events can increase online sales. Businesses are using this dynamic marketing strategy more and more, thus it's critical to comprehend how event measurements relate to sales results. Finding the factors that lead to success yields practical information that helps marketers and companies optimize their approaches to attracting and converting online customers in the ever changing e-commerce market.

Literature review

Miyan Liao, Jiaming Fang, Lintong Han, Ling Wen, Qiqi Zheg,Guoen Xia, “Boosting e-Commerce sales with livestreaming in B2B marketplace: A perspective on live streamers’ competencies”, Journal of Business Research, Volume 167, November 2023

This study examines and evaluates the relationship between live streamers' abilities and B2B livestreaming sales performance, with an emphasis on the moderating effects of product type and competitiveness. Results from the analysis of a fine-grained livestreaming event dataset from a B2B livestreaming platform that included 915 brand firms and was matched with real sales transactions indicate that live streamers' social and cognitive competencies have a positive impact on sales performance, while their emotional competence has a negative impact. More crucially, this study offers compelling evidence that product kind and competitiveness influence how live streamers' competencies affect online sales. In particular, experience product sales are more significantly impacted by the cognitive and emotional capabilities of live streamers than by search product sales.

Apiradee Wongkitrungrueng, Nassim Dehouche ,Nuttapol Assarut, ” Live streaming commerce from the sellers’ perspective: implications for online relationship marketing”, Journal of Marketing Management, Volume 36, 2020

Recently, live streaming has gained popularity as a direct selling medium that gives independent, small-business owners access to previously unheard-of levels of customer connection and contact. Existing study has primarily examined the motivation and intention of consumers to shop live streaming, but little is known about the viewpoint of the supplier. While there are undoubtedly universal benefits to live streaming commerce, merchants' experiences

with this channel vary in terms of success. This study examines Facebook data of live streaming sellers using a mixed quantitative and qualitative methodology in order to characterize the dynamic, interactive live streaming sales process and evaluate the type and scope of engagement measures. Twelve client acquisition and retention tactics are identified, along with four sales approaches.

Ransome Epie Bawack, Emilie Bonhoure, Jean-Robert, Kala Kamdjoug, Michalis giannakis, “How social media live streams affect online buyers: A uses and gratifications perspective”, International Journal of Information Management, Volume 70, June 2023

Social media live streams(SMLS), are quickly taking the place of traditional e-commerce platforms, particularly for direct selling. They provide e-tailers with unprecedented levels of consumer involvement and engagement. E-tailers are becoming more and more common, yet they still have trouble leveraging this platform to improve retail operations. This study investigates the reasons behind customers' participation in e-commerce SMLSs in order to examine how SMLSs impact consumers' purchasing intentions. To this purpose, we explained how adopting SMLSs to meet consumers' demands could result in high or low purchase intentions using the uses and gratifications (U&G) hypothesis. To achieve this, cross-sectional data from 795 customers who took part in e-commerce SMLSs were gathered. Partial least squares structural equation modeling (PLS-SEM) and fuzzy set qualitative comparative analysis (fsQCA) were used to analyze the data.

Yuan Sun, Xiang Shao, Xiaotong Li, Yue Guo, Kun Nie, “How live streaming influences purchase intentions in social commerce: An IT affordance perspective”, Electronic Commerce Research and Applications, Volume 37, September–October 2019

Live streaming shopping is gaining popularity among customers as a new kind of social commerce, and this has piqued the interest of practitioners and scholars. In this study, we investigate the impact of live streaming on Chinese social commerce clients' purchase intentions by developing a theoretical model from the viewpoint of IT affordance. Customers who have shopped on live streaming sites such as Taobao.com, JD.com, Mogujie.com, and Sina Microblog are surveyed in order to empirically test the model. Our findings demonstrate how customer purchase intention can be influenced by visibility affordance, guidance shopping affordance, and metavoicing affordance through live streaming engagement. Our research emphasizes how critical it is to comprehend how IT affordance affects social commerce.

Pradeep Paraman, Sanmugam Annamalah, Peter Vlachos, Selim Ahmed, Arunnnan Balasubramaniam, Ba harudin Kadir, Murali Raman, Wong Chee Hoo, “Dynamic Effect of Flow on Impulsive Consumption: Evidence from Southeast Asian Live Streaming Platforms”, Journal of Open Innovation: Technology, Market, and Complexity, Volume 8, Issue 4, December 2022

This study looks at the Southeast Asian market's impulsive live streaming usage intentions. Online live streaming transactions are gaining popularity as a new social media platform because of their creative business concept and real-time communication capabilities. Live streaming transaction (LST) has received little attention, but considering its wide range of applications and distinctive characteristics, it is imperative to have a theoretical understanding of it. Based on theories of flow, temperament, and personality, the analysis of 8613 respondents from Southeast Asia in this study provides new insights into the mediating function of flow and the moderating influence of temperament in a cross-national context. An indirect effects model with a mixed-method condition was built using cluster sampling.

Theoretical Background

The theoretical background for the research paper "Analysing the Effectiveness of Live Stream Shopping Events in Driving Online Sales" can draw upon several relevant concepts and theories within marketing, consumer behavior, and technology adoption.

1. Customers Engagement:

The depth of a customer's relationship with a brand or product is the main emphasis of consumer engagement. This idea can be used to analyse how involved, interactive, and emotionally connected viewers are during live streaming shopping events. Examining customer interaction data can reveal how well live streaming commerce connects with viewers and, ultimately, increases online purchases.

2. Online shopping:

E-commerce is a concept that blends regular internet purchasing with entertainment components. This entails comprehending how entertainment value is included into the e-commerce process in relation to live stream shopping events. Analysing the relationship between entertainment and business makes it easier to comprehend how viewer engagement and enjoyment affect online sales.

3. Persuasion and social influence:

Social influence and persuasion studies how people's attitudes, beliefs, and behavior are influenced by other people. Many types of social influence are covered by the Social Influence Model, including normative influence, which involves adhering to group norms, and informational influence, which involves depending on others for information. Persuasion theories differentiate between central route processing (a thorough examination of the evidence) and peripheral route processing (depending on cues such as attractiveness or credibility). One example of this is the Elaboration Likelihood Model. It is imperative for marketers to comprehend these notions in order to properly utilize social interactions and persuasive strategies.

4. Experimental Marketing:

The goal of experiential marketing as a strategic approach is to give customers unique, engaging experiences. It emphasizes the sensory and emotional dimensions of engagement, which goes beyond conventional product-oriented marketing. By establishing favourable associations that transcend the product itself, brands hope to establish a personal connection with their audience. Events, interactive campaigns, and sensory-rich retail spaces are just a few examples of the diverse ways that experiential marketing may be used. The ultimate objective is to create a distinctive and unforgettable brand experience in order to forge deep emotional bonds with customers, increase brand loyalty, and impact their behavior.

5. Consumer Decision-Making Process:

A model that describes the steps a customer takes while choosing what to buy is called the consumer decision-making process. The conventional phases consist of identifying the issue, gathering data, assessing potential solutions, making a purchase, and conducting an assessment after the purchase. Different behavioral and cognitive tasks are involved in each step. For instance, in order to make an informed choice, buyers look for information about various brands or items during the information search stage. Comprehending this procedure enables marketers to customize their approaches to sway consumers at every juncture and tackle elements that could affect the results of decisions.

Research Methodology

A mixed-methods technique is used in this study to combine quantitative analysis with qualitative investigation. Surveys are used to gather quantitative data on the attitudes and actions of customers during live streaming retail events. Surveys with participants are used to collect qualitative data by learning more about their experiences and perspectives. In order to analyse online sales metrics and event analytics, the study also makes use of secondary data sources. Triangulating these techniques improves the findings' comprehensiveness and offers a more detailed view of the variables affecting how well live streaming retail events stimulate online sales.

Data analysis and Calculation

In the context of the research paper "Analysing the Effectiveness of Live Stream Shopping Events in Driving Online Sales," the correlation coefficient serves as a vital statistical tool to measure the strength and direction of relationships between key variables. It measures, in particular, how strongly variables like customer involvement levels during live streaming shopping events correlate with the success of following online sales. The study uses correlation analysis to look for possible patterns and dependencies. This helps to provide light on how specific elements of the live broadcast experience could affect customer behavior and help online sales campaigns succeed overall.

The co-efficient of correlation(r) is

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

Where

x , y are the individual data points of the variable

n is the number of data points

This formula essentially captures the covariance of the two variables normalized by the product of their standard deviations, resulting in a correlation coefficient that ranges from -1 to 1. A positive r indicates a positive correlation, a negative r indicates a negative correlation, and $r = 0$ suggests no linear correlation between the variables.

Data collected from the population :

Live stream shopping(X) are the data which are collected for the six different factors related to live stream online shopping. Online sales(Y) are the data which are collected based on the sales corresponding to six factors.

Live Stream Shopping	Online Sales
158	175
174	179
149	154
172	163
186	169
169	184

Here, the co-efficient of correlation is calculated to find the relationship between live stream shopping and online sales corresponds to live stream.

Live Stream Shopping (X)	Online Sales (Y)	Square of X	Square of Y	XY
158	175	24964	30625	27650
174	179	30276	32041	31146
149	154	22201	23716	22946
172	163	29584	26569	28036
186	169	34596	28561	31434
169	184	28561	33856	31096
1008	1024	170182	175368	172308

From table, the value of

$$\sum x = 1008$$

$$\sum y = 1024$$

$$\sum x^2 = 170182$$

$$\sum y^2 = 175368$$

$$\sum xy = 172308$$

The co-efficient of correlation,

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \sqrt{n\sum y^2 - (\sum y)^2}}$$

$$r = \frac{6(172308) - (1008)(1024)}{\sqrt{6(170182) - (1008)^2} \sqrt{6(175368) - (1024)^2}}$$

$$r = \frac{1033848 - 1032192}{\sqrt{1021092 - 1016064} \sqrt{1052208 - 1048576}}$$

$$r = \frac{1656}{\sqrt{5028} \sqrt{3632}}$$

$$r = \frac{1656}{(70.908)(60.266)}$$

$$r = \frac{1656}{4273.341}$$

$$r = 0.38751$$

The correlation coefficient (r) of 0.3871 obtained between live stream shopping and online sales suggests a moderately positive relationship between these two variables.

Co-efficient of determination = r^2

$$r^2 = 0.3875^2$$

$$r^2 = 0.1502$$

The coefficient of determination (R-squared) of 0.1502 obtained in our analysis signifies that approximately 15.02% of the variance in online sales can be explained by the variation in live stream shopping activities.

Findings and Interpretation

The positive sign of the correlation coefficient indicates that as the frequency or intensity of live stream shopping increases, there tends to be a corresponding increase in online sales. This implies that live stream shopping events may serve as effective catalysts for driving consumer purchasing behavior towards online platforms.

Although the correlation coefficient of 0.3871 falls within the moderate range, it signifies a meaningful relationship between live stream shopping and online sales. However, it's important to note that correlation does not imply causation. While this coefficient suggests a connection between the two variables, it does not necessarily indicate that live stream shopping directly causes an increase in online sales. Other factors such as product appeal, marketing strategies, and consumer preferences may also contribute to the observed relationship.

Furthermore, while the correlation coefficient provides insight into the strength and direction of the relationship, it does not offer information regarding the causal mechanism or underlying factors driving this association. Therefore, further investigation through regression analysis or qualitative research methods may be warranted to explore the nuanced dynamics between live stream shopping and online sales comprehensively.

The coefficient of determination (R-squared) of 0.1502 obtained in our analysis signifies that approximately 15.02% of the variance in online sales can be explained by the variation in live stream shopping activities. This means that a modest proportion of the fluctuations observed in online sales can be attributed to changes or differences in the frequency, duration, or effectiveness of live stream shopping events.

While the R-squared value of 0.1502 indicates a statistically significant relationship between online sales and live stream shopping, it also implies that a considerable portion of the variability in online sales remains unexplained by the factors considered in this study. Thus, it's important to recognize that other variables not included in the analysis, such as marketing strategies, consumer segmentation, consumer demographics, and economic conditions, may also contribute to the overall performance of online sales.

The interpretation of R-squared as 0.1502 underscores the partial influence of live stream shopping on online sales outcomes. While live stream shopping activities play a discernible role in shaping online sales performance, there are likely additional factors at play that merit further investigation.

Furthermore, the modest R-squared value suggests that while live stream shopping contributes to explaining variability in online sales, it may not be the sole or predominant driver of online sales performance. Therefore, businesses and researchers should consider integrating insights from multiple sources and methodologies to gain a comprehensive understanding of the complex dynamics influencing online retail outcomes.

Conclusion

In order to comprehend the influence of live stream shopping events on online retail performance, we examined the relationship between live stream shopping and online sales in this study. This research offers insightful information about the changing nature of e-commerce and the influence of cutting-edge marketing techniques on customer behavior and sales results, such as live streaming shopping. This study revealed a statistically significant correlation between live stream shopping and online sales. A somewhat positive correlation between these two variables is suggested by the correlation coefficient of 0.3871, which shows that stronger online sales performance is correlated

with increased engagement in live stream shopping activities. This emphasizes how live streaming shopping events might influence consumers' purchase decisions in the online market.

Additionally, fluctuations in live stream shopping activities can account for about 15.02% of the variability in online sales, according to the coefficient of determination (R-squared) of 0.1502. This percentage indicates that live streaming shopping has a significant impact on online sales results, but it also shows that there are other contributing aspects that were not taken into consideration for this study. By clarifying the relationship between live stream shopping and online sales and providing actual data to back up the use of live stream shopping tactics into e-commerce operations, our research adds to the body of knowledge already in existence. Businesses may be able to improve their online sales performance and interact with customers in novel ways by utilizing live streaming shopping events.

But it's important to acknowledge the limits of this research. This research ignored other potential factors that might have an impact on online retail performance in favor of concentrating just on the association between live stream shopping and online sales in our investigation. To provide a more thorough picture of online sales dynamics, future research projects should think about examining additional elements like marketing techniques, product features, consumer preferences, and external market conditions.

Our research concludes by highlighting the growing importance of live streaming shopping in the e-commerce space and its potential to boost online sales. Businesses can create more successful marketing plans and take advantage of the opportunities given by the changing digital retail landscape by utilizing the insights gathered from this study.

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