**The Impact of Live Streaming Commerce on**

**Customer Purchasing Behavior**

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**ABSTRACT**

The live-streaming economy is a social phenomenon generated by the development of online culture to the present stage, which is also viewed as an emerging economic model. E-commerce via live streaming has been expanding rapidly in recent years. However, few researchers have focused on customer purchasing behavior, especially in the context of live-streaming commerce. Therefore, the main objective of this study is to the impact of live-streaming commerce on customers' buying behavior. This study applied the Stimulus Organism Response (SOR) model and Technology Acceptance Model (TAM) to investigate which factors will affect consumers' buying and explore the impact of perceived interactivity of live streaming commerce. This paper collected data through online questionnaires from 253 online shopping customers in Zhejiang Province, China, and analyzed them using Process Macro of SPSS software. The results show that perceived ease of use, perceived usefulness, trend, and social influence are directly and indirectly related to purchase intention toward live streaming commerce. The findings also indicated that attitude toward live-streaming commerce mediates the relationship between predictors and purchase intention. Also, this specific study offers additional insights concerning the behavioral aspects of the topic. Thus, providing new ideas on how live-streaming commerce can influence consumers' attitudes. In the coming years, consumer buying behavior will become an essential component of the live-streaming economy. This study subdivides consumer behavior into buying a particular product. It can provide theoretical suggestions on how consumers' purchase intention can better develop the marketing mode of e-commerce in the specific scenario of live streaming to help relevant firms of live streaming platforms seek ways to improve consumers' purchase intention in reality.

*Keywords*: Live Streaming, e-commerce, technology acceptance model, Stimulus Organism Response (SOR) model, Technology Acceptance Model (TAM),

**INTRODUCTION**

With the development of e-commerce, the competition among Business to Customer (B2C) e-commerce websites is becoming more and more intense. As a result, e-commerce enterprises are trying to use various methods to increase publicity, enhance the visibility of their goods and meet the diversified needs of users. Therefore, live online shopping has come into being. Live streaming has undoubtedly brought great life to Chinese society, reshaping the way people live and buy. As of March 2020 alone, the number of people participating in live streaming in China has reached 560 million (SEO Agency China, 2020). Due to the COVID outbreak, many cities have quarantine rules, which has facilitated the growth of live broadcasting at an unprecedented rate. Through influencer broadcasts on their own social media pages, most often hosted on China's online shopping malls, the live streaming economy promotes and sells items (Greenwald, 2020). It is comparable to Home Shopping Network, however, with attractive, contemporary anchors. Additionally, it has been compared to an advertisement and a variety show. E-commerce via live streaming is expanding quickly. As of June 2019, the number of live-streaming users in China had exceeded 433 million. About 37% of Chinese internet customers made livestream purchases in 2019 (China Internet Network Information Center, 2019).

The live-streaming economy is a social phenomenon generated by the development of online culture to the present stage, which is also viewed as an emerging economic model. Live streaming heavily relies on Internet technology as well as on various social media platforms to promote the sellers’ products (Wongkitrungrueng & Assarut, 2020). Hence, internet communication also allows the live streaming economy to increase its market using the power of social media to reach potential customer markets. Furthermore, the live streaming economy also allows the formation of expanded social media followers, which will be beneficial for penetrating the target market through social media engagements.

There is no doubt that technology will remain a significant part of businesses, specifically, the live streaming economy (Wilburn & Wilburn2018; Mgunda, 2019). As previously mentioned, the live-streaming economy is heavily dependent on the internet and social media. Therefore, there is a high possibility that this contemporary business practice will remain in the future. Hence, it is important to study this topic because understanding how live streaming and social media influence businesses is beneficial for entrepreneurs who want to expand their business reach (Intarakumnerd & Goto, 2016; Dhareshwar, 2018). Although other studies are purely focused on how social media and live streaming can be used to promote business, this specific study offers additional insights concerning the behavioral aspects of the topic. Thus, providing new ideas on how live-streaming commerce can influence the attitudes of consumers.

In this study, the theoretical and conceptual frameworks have been presented to show the connections between influential factors that lead individuals toward buying the product through the help of live streaming and social media platforms and influencers. Businesses need to understand customer behavior through their social media activities by understanding their wants, needs, and product demands (Li et al., 2020; Dwivediet al, 2021). Through live streaming using social media platforms, businesses have the opportunity to reach their customers. The number of reactions, messages, and comments on the live stream can be used to identify whether or not the audience will become new business customers.

**Literature Review**

1. The Stimulus Organism Response Model

The framework of the research model in this paper is the "S-O-R" model of the consumer (Arora, 1982). This model grew out of cognitive psychology and has been widely used in consumer behavior and marketing. The model suggests that consumers will evaluate products or services after receiving internal and external stimuli such as products or situations, which will lead to consumer demand and motivation, and ultimately influence consumers' purchasing behavior. In the classical "stimulus-organism-response" model, the "external stimulus" produces an "emotional response" in the "organism". or "convergence" or "avoidance". As shown in Figure 1, the classic "S-O-R" model for the consumer decision-making is illustrated.

Figure 1: Theoretical Framework – SOR



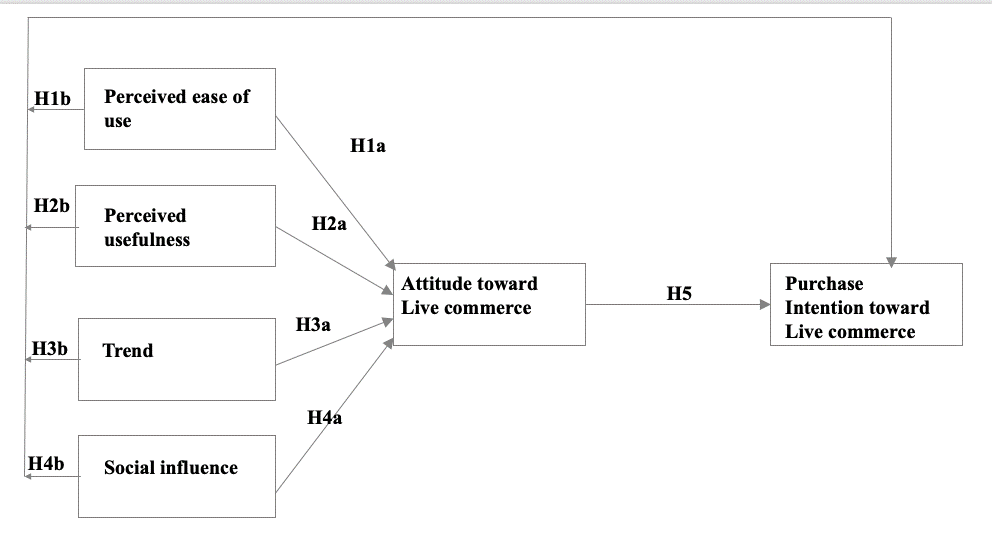
1. Technology Acceptance Model (TAM)

The TAM serves to explain the acceptance behavior of users of new information technologies (Davis, 1989). Perceived usefulness as well as perceived ease of use are two distinct factors that this model generates and evaluates and are utilized as the primary predictors of user acceptability. Perceived usefulness and perceived ease of use are expected to have a direct effect on the person’s behavioral intent, thus eliminating the need for attitude construction. TAM explains the determinants of technology acceptance on a large scale and explains the user behavior and user groups of information technology end users. TAM provides good analytical ideas for product optimization and enhancement and helps products become more competitive in the marketplace. External variables are the influential factors that can affect the person’s decision to purchase or use the technology. The external variables are social influence (norms, trending habits, and how people conform to current trends) and the perception of peers.

Figure 2: Theoretical Framework – TAM

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1. Conceptual Framework



Research Method

The measures of this research were from previous research. The constructs included perceived ease of use (PEU), Perceived usefulness (PU), Trend (TRE), Social Influence (SI), Attitude (AT), and Purchase Intention toward Live commerce (PI). A Likert scale was used to measure all variables, with scores spanning from 1 to 7 and from 1(strongly disagree) to 7 (strongly agree). To ensure the quality of the questionnaire in this study, after the preliminary design of the questionnaire, 40 small samples were collected for reliability analysis. (Sapkota, 2019). No extreme results were found, and the obtained results were highly reliable. Therefore, the questionnaire questions were retained, and a formal investigation was conducted.

Findings

All the variables are significant as shown in Table 4 below.

TABLE 4  
summary of hypothesis testing results

|  |  |
| --- | --- |
| Hypothesis | Results |
| **H1a-**Perceived ease of use（PEU）is positively related to attitude toward live commerce (AT). | Supported |
| **H1b-** Perceived ease of use（PEU）is positively related to purchase intention toward live commerce (PI). | Supported |
| **H2a-** Perceived usefulness（PU）is positively associated with attitude toward live commerce (AT). | Supported |
| **H2b**- Perceived usefulness（PU）is positively related to purchase intention toward live commerce (PI). | Supported |
| **H3a**- Trend (TRE) is positively associated with attitude toward live commerce (AT), | Supported |
| **H3b**- Trend (TRE) is positively related to purchase intention toward live commerce (PI). | Supported |
| **H4a**-Social Influence (SI) is positively associated with attitude toward live commerce (AT) | Supported |
| **H4b**-Social Influence (SI) is positively associated with purchase intention toward live commerce (PI). | Supported |
| **H5-** Attitude toward Live commerce (AT) is positively associated with purchase intention toward live commerce (PI). | Supported |

Conclusions

The research result of this paper provides theoretical suggestions on how consumers' purchase intention can better develop the marketing mode of live streaming e-commerce under the specific scenario of live streaming, to help relevant management teams of live streaming platforms seek ways to improve consumers' purchase intention in reality. It also provides some theoretical supplements for the existing research and further suggestions for the development of an online e-commerce model.

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