

The evolution of livestreaming shopping in China and what it means on a global scale

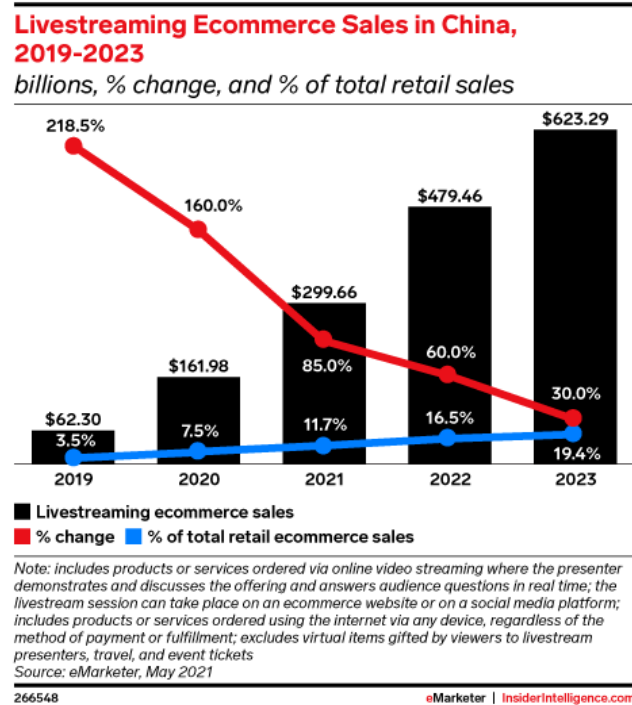
Article

Livestreaming ecommerce—a market-like online shopping experience that feels like an amalgamation of the Home Shopping Network (HSN), game shows, talk shows, and

auctions—has taken China by storm. The phenomenon was in part fueled by the pandemic, as brick-and-mortar stores temporarily closed down and consumers sheltered in place. Yet, a year later, livestream shopping is still going strong in the country.

Livestreaming ecommerce isn't a new phenomenon. During Singles' Day 2017, Alibaba pushed livestreaming shopping, dubbed "See Now, Buy Now," as its latest novelty. Other internet companies were dabbling with the idea as well.

Today, livestreaming is an integral part of ecommerce, generating \$300 billion in China this year and growing 85% from a year prior, according to our estimates. This will account for 11.7% of total retail ecommerce sales in the country.



Consumers in China shop livestream video for different reasons. There are some who turn to this channel to learn more about emerging brands and to try out their products. That's why it's no surprise that product launches via livestreaming videos have become a big business—and company executives and subject-matter experts are increasingly being sought after to share their know-hows.

For other consumers, it's simply a form of entertainment. And that's why this form of interactive content-driven shopping is perfectly suited for impulse purchases, and many

celebrities have appeared on their own shopping streams or made cameos for brands looking to take advantage of their fanbases.

By and large, many brands in China have jumped onto the livestreaming ecommerce bandwagon with some doing daily sessions that go on for hours. On Taobao Live, the list of most popular product categories begins with women's fashion, followed by cosmetics, food, home goods, and jewelry and accessories. In terms of gross merchandise value, however, big-ticket items such as computers and large home appliances lead the pack.

It's important to note that, when it comes to livestreaming, there isn't a one-size-fits-all formula. Preparation is key, and brands looking to dip their toes in this particular space need to do their research first, not only to figure out what consumer expectations may be but also how to set themselves apart from others in the space.

Global marketers who have their eyes on China's livestream shopping space must understand that not all elements would translate into their home market, but there is no doubt of the format's potential to complement offline operations, reach previously unreachable markets, build closer relationships, ignite conversations, and draw valuable insights from consumers.