

# Q&A: Why ShopShops says US consumers will tune in—and purchase—via livestream

Article

**Liyia Wu**

Founder and CEO at ShopShops



Only **6%** of US adults livestream shop on a regular basis, according to a survey conducted in April 2022 by Bizrate for Insider Intelligence. One of the platforms where consumers can do this is Chinese-launched ShopShops, which recently entered the US. We spoke with Liyia Wu,

founder and CEO, about why livestream shopping will take off in the US, challenges brands face when entering livestreaming, and the impacts of livestream shopping on ecommerce brands.

### **Insider Intelligence: How is livestreaming in the US different from China?**

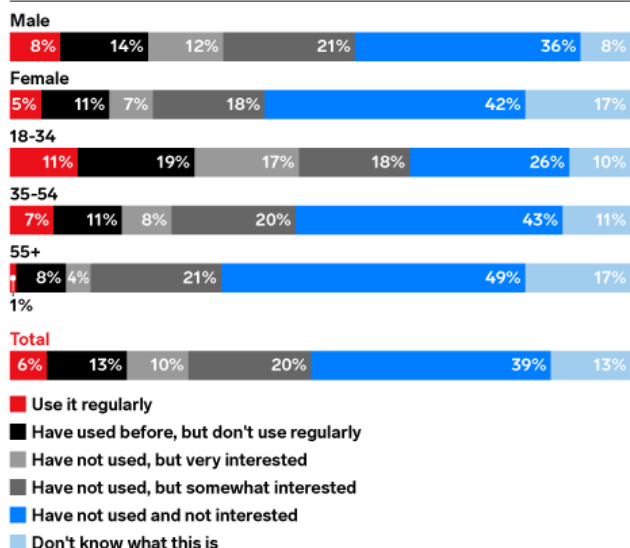
**Liyia Wu:** We are seeing similar user behavior as we saw in early 2017 in China—the addiction is real. Once adoption happens, consumers have a very high repeat purchase rate and watch time. The learning curve is still there for a lot of our audience in the US, especially since we focus on a more female audience from the millennial mom all the way to the boomer with an age range from 28 all the way to the 60s. A lot of the questions they ask are, "Oh, is it live? How do I chat? Can you see me?"

In terms of brands, in 2017, the Chinese market saw a lot of the major brands not adopting this—a lot of them only adopted live commerce during COVID-19. I'm expecting 2024 to be the year that US brands will be livestreaming or creating a live program as part of their marketing strategy. Right now they're still talking about social and TikTok, but I remember four or five years ago the major brands were asking, "Who's TikTok?" It's similar to what is going to happen with livestream shopping.

Macrowise, livestream in the US market will be more segmented by vertical categories. We see consumers very focused on the collectibles, and we are more focused on the female fashion lifestyle, including both pre-owned luxury and designer brands. We believe there will be more verticals expanding within the home and arts and that's something we want to try out too, but instead of one major Taobao or TikTok running it all, there will be a more vertically focused live platform.

## How Interested Are US Adults in Livestreaming/Video Ecommerce\*?

% of respondents, by demographic, April 2022



Note: numbers may not add up to 100% due to rounding; \*buying a product by clicking on a link directly within or next to a video

Source: "The Insider Intelligence Ecommerce Survey" conducted in April 2022 by Bizrate Insights, April 18, 2022

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## II: What are the challenges retailers face when trying to enter livestream shopping?

**LW:** One of the main challenges we see from brands is talent, which is why we are a three-sided marketplace. When we first started in China, brands didn't understand how to operate livestream. They're too concerned with finding the talent to partake in the livestream and represent their brand.

We believe all sales associates or everyone could be a live host, and one of our main advantages is that we focus on creators, who we call hosts, who are provided on the ShopShops platform. That's where we actually match the host by destination. For example, groups of people who live in New York are matched with the retail brands or stores in New York. Hosts can go into the stores and livestream and feature products at a cost. That's more inviting. It's not just an influencer but a more experienced live sales associate that brands can hire by hour or by event.

## II: How will livestream shopping change ecommerce?

**LW:** I think livestream and video will grow the digital economy. In a sense, it will become retail, entertainment, commerce, all in one, and that's what ShopShops wants to focus on building. Retail will not completely die because that's where the experience is and people still want to

go outside their home. However, we also want the convenience of lying in our bathtub and being able to watch someone else shop for you. Therefore, live and video commerce brings the closeness of global experience to one place, and also accessibility and learning about products that aren't within your current shoppable area.

In addition, livestream shopping will shorten the discovery period to purchasing time. The search for a product is what I call the 1.0 of ecommerce. The current live commerce is allowing audiences or viewers to stop searching but enter into an experience that is live or video that they can discover by themselves. It is all with user-generated content that directs sales instead of hardcore marketing on paid ads.

It will also shorten the supply-to-demand chain. The entire industry from design to production will be much faster. More on-demand productions, more on-demand designs or more on-demand unique alterations that could be done quickly. We know that during live interactions, people will ask you weird questions. The creativity from the shopper side will probably change how the industry produces, and how the industry designs products.