

Research on the status quo and countermeasures of the commercial Model of live streaming with goods on vertical e-commerce platforms -- taking jewelry and jade industry as an example

Siyu Wang, Yufan Ma*

School of Economics, Beijing Technology and Business University, Beijing, China, 100048

*Corresponding author: mayufan1212@126.com

Abstract. With the gradual development of Internet live broadcasting platform, many e-commerce platforms begin to sell through live broadcasting with goods, which not only improves profits but also brings many problems to be solved. In view of the huge growth of major online sales and the rise of jewelry live streaming with goods industry, this paper first analyzes the business model of jewelry live streaming e-commerce platform with goods, summarizes the current mainstream jewelry live streaming e-commerce business model, and then analyzes the problems of jewelry industry in vertical e-commerce live streaming marketing. Finally, corresponding measures are proposed to deal with the problems existing in the live broadcast marketing of jewelry industry, which provides a theoretical basis for the online live broadcast of jewelry and jade industry and has certain reference significance for the marketing of similar vertical e-commerce products.

Keywords: live delivery, jewelry industry, Internet, live delivery supervision.

1. Research background

In 2021, China Jewelry and Jade Jewelry Industry Association will publish the 2021 China Jewelry Industry Development Report (hereinafter referred to as the Report) online.

It is mentioned in the report that the development status of China's jewelry and jade industry is characterized by: more stable market recovery growth, significantly improved market concentration, stronger innovation-driven, white-hot restructuring of terminal channel pattern, and accelerated exploration of digital transformation. In particular, the report points out that in the past five years (2017-2021), the growth rate of retail sales of gold, silver and jewelry products of enterprises above designated size was in single digits and lower than the growth rate of retail sales of consumer goods in the whole society in the years before 2020. In 2020, due to the impact of the epidemic, retail sales of consumer goods declined. In 2021, a v-shaped rebound will be realized, in which gold, silver and jewelry products will achieve a huge growth of nearly 30%, not only outperforming other consumer goods including daily necessities, but also more than double the average growth rate of 12.5% of all consumer goods.

The report discloses that according to the comprehensive statistics of the jewelry industry by China Treasure Association, the market size of China's jewelry and jade jewelry industry will reach 720 billion yuan in 2021, up 18% year on year. Among them, the market size of gold products is about 420 billion yuan, diamond products about 100 billion yuan, jade products about 100 billion yuan, Hetian jade products about 28 billion yuan, color gem products about 31.5 billion yuan, pearl products about 16 billion yuan. The market size of platinum and silver products is about 10 billion yuan, and the total market size of other products is about 15 billion yuan.

2. Analysis and description of the commercial model and characteristics of vertical jewelry livestream e-commerce platform

2.1 Characteristics and description of jewelry products

In recent years, the short video platform and the live broadcast delivery business model have developed rapidly and become a new channel for the terminal sales of many products. Jewelry products are among the "lucky ones" who have been successfully sold live and have typical characteristics of "pipeline products". "Pipe product" refers to a finished product in which the specific composition, origin and quality of raw materials are difficult to determine from the surface. Similar products include cosmetics and cosmetic products. Corresponding to "pipeline products" is "spare parts products". For consumers, spare parts products are easier to distinguish their structure, place of origin, quality and other information. Their structure, place of origin and quality have clear measurement standards, which are convenient for consumers to distinguish and firm, such as electronic products such as computers.

Therefore, when consumers are faced with "pipeline products" such as jewelry and cosmetics, it is difficult to determine the quality and authenticity of products through the retrieval of central information, and consumers are more inclined to use peripheral information to assist in purchasing decisions. With its central information, such as commodity configuration, parameters, etc., is often not the main reference object of consumers. Peripheral information includes price tag, discount, sales volume, brand effect, etc. When consumers tend to focus on peripheral products, they are more likely to be affected by various merchandising and marketing mechanisms, so as to carry out impulsive consumption or be cheated.

2.2 Overview of business model of jewelry livestreaming e-commerce

Jewelry livestream e-commerce business model refers to a new sales mode in which jewelry wholesale and retail businesses or enterprises conduct product promotion, sales guidance and after-sales service to consumers through Internet livestream through platforms such as Weibo, Xiaohongshu, Douyin and mobile Taobao client. In the early stage of the platform, businesses or enterprises usually upload short videos to enrich their home pages, so as to shorten the distance with consumers, obtain certain attention, establish their own and brand image, and prepare for live streaming. When the number of fans is relatively large, guide the fans to place orders through periodic live broadcast or irregular live broadcast and live broadcast skills. Domestic jewelry livestream e-commerce providers are mainly vertical. Marketing accounts usually sell single jewelry and related accessories, not comprehensive products.

2.3 Analysis and description of marketing means of vertical jewelry livestreaming e-commerce

2.3.1 Establish trust relationship through "pseudo-interaction"

Different from the traditional TV direct marketing media, although both can intuitively demonstrate the strength of sellers, live broadcast with goods on the basis of display, added a "fake interaction". This kind of interaction seems to be the communication and exchange between merchants and consumers, but in essence, it is a "pseudo-interaction" in which consumers' behaviors are predicted and analyzed in advance, scripts are written accordingly, and fixed templates and routines are used. Although consumer interaction is spontaneous, it is predictable and therefore forms part of the marketing model of merchants. The product information and quality assurance displayed through this "pseudo-interaction" is actually the accurate information output of the merchants, and there is no benefit of quality and promise guarantee for consumers.

2.3.2 Accurately shape the image of anchors and carry out "empathic" marketing

Vertical e-commerce usually only sells a certain kind of jewelry and its related accessories. "gold", "jade", "pearl", etc., do not involve the intervention of any other commodities. And cooperate with the relevant appreciation of the kind of language, one dimension by dimension comments on goods. For

example, the pearl product live broadcast is usually carried out from the perspective of "leather light", "point position", "brightness" and industry rating. To build the image of "professionals", establish trust with consumers, and further give themselves specific "identity", such as: "Thrifty treasure mother", "family business inheritor", "pearl designer", "founder of xyz brand enterprise", etc., convey emotions and commodity information by telling about their own pains, ideals and values, etc., and describe the use scenarios of commodities in large quantities to mobilize consumers' emotions and guide consumers to place orders.

"Empathy" marketing through the guidance of feelings and emotions, make consumers themselves into during watching live, amplifying its potential emotional needs, plus a lot of marketing atmosphere foil and atmosphere, make consumers pay will promote quickly in a short time, ignore the quality of the goods and property, thereby contributing to deal.

It is worth noting that the "empathy" behind marketing under the transaction, a large portion of the instant is consumer of emotional value, the "emotion" value while effectively contributed to the occurrence of trading, but greatly diluted the intrinsic value of the product itself, together with jewelry electrical goods quality problems hidden trouble, "lemon market" can develop greatly.

2.3.3 Quality time node and "lucky bag" release mechanism

Compared with traditional media, live streaming has more flexibility in terms of time. During non-holidays, users can be active for up to 18 hours per day (from 9 am to 3 am). The duration of a single live broadcast usually ranges from 2 to 6 hours. According to statistics, the concentration time of jewelry e-commerce is from 7 PM to 2 am, and most of them are from 7 PM to 10 PM. The unit price of goods in direct broadcast rooms is relatively low, mostly ranging from 0 to 1000 yuan. After 10 o'clock the price gradually rises, until 11:30 to 12:30 to reach the peak, at this time the highest or unit price is about 5000~50000 yuan; After 12:30, the unit price of goods began to drop until the end of the live broadcast, returning to 0~1000 yuan.

"Lucky bag" refers to the e-commerce broadcast room, the regular distribution of lottery links. The mechanism of "lucky bag" is generally that you can participate by Posting specific comments in the comment section, and the lottery will start 10 minutes after the "lucky bag" is distributed. The time node of "lucky bag" is coordinated with the time of top grade to stabilize the passenger flow. A non-holiday period, a single "bag" issue for two rounds, commonly in the air on stage, in the first round last 30 to 60 minutes, a single bag value of 0 ~ 100 yuan, a stable passenger flow, prolong the average consumer watch often, brand, or the role of the host image and the product introduction and promotion, the main purpose to obtain new consumer's favor and attention, Expand customer base; The second round is in the stage where the price starts to rise, which generally lasts 10-20 minutes, and the value of a single bag is 100~1000 yuan. At this time, with the increase of the customer unit price, relatively price-sensitive consumers have a greater chance to leave the studio. At this time, blessing bags with higher prices are issued, which can further stabilize the customer flow and extend the average viewing time of consumers. The main purpose is to induce consumption and earn high profits by using high or unit price.

2.4 Rely on "flash purchase link" to sell products

Under normal circumstances, e-commerce companies need to rely on product links for sales. Product link includes: product picture, price, origin, shelf life, production company and product introduction and other detailed data. Ordinary links exist in e-commerce platforms for a long time to provide consumers with timely and comprehensive information before, during and after consumption and safeguard their rights and interests. In contrast, "flash purchase link" refers to the shopping link that pops up during the live broadcast according to the real-time product introduction of the anchor, which only provides two basic information of the product picture and the product name and the payment operation interface. "Flash purchase links" cooperate with merchants such as "out of stock", "rare", "over product", "no return" and other words script and hot selling atmosphere, create time pressure, great consumption and distraction of consumer energy. In addition, the "flash purchase link" provides limited product information, and consumers cannot compare prices in the market in a short

time. The combined action of time pressure, energy consumption, information asymmetry and other comprehensive factors leads to the gradual decline of consumers' decision-making ability when watching live broadcast, which ultimately leads to the transaction.

3. Problems existing in the direct marketing of vertical e-commerce in the jewelry industry

3.1 Live broadcast cannot determine the real quality of the product

First of all, consumers consider the size, color, shape, luster, flaws and other aspects when buying jewelry. However, there is an error between the live broadcast on the online platform and the jewelry seen in reality [1]. Due to the interference of lighting, lens filter and other factors, the luster and color of the jewelry samples displayed are more attractive to consumers. May as well have some sellers shoddy, using lighting and filter additions to cover up the jewelry's own flaws and other appearance imperfections. When consumers receive jewelry and find it is different from what they expected, it will greatly increase the probability of returning it.

Secondly, many anchors mislead consumers by exaggerating the description of jewelry [2]. Some anchors describe jewelry by saying how rare the product is, how difficult it is to extract, and how valuable it is on the market. However, many consumers, due to lack of professional knowledge of jewelry, let the exaggerated explanation of the anchor induce them to place orders, and finally bought products are not satisfactory. Many anchors on live broadcasting platforms exaggerate jewelry products, but live broadcasting platforms lack regulatory mechanisms and relevant people to determine whether the products conform to the description of anchors [3]. There are even some sellers of household dyes and infusions that process jewelry to make it look very beautiful and cover up congenital defects in appearance. In the seller's mouth, the jewelry changed into "all natural", "rare" and "high quality". And some consumers spent zhongjin to buy jewelry is later "processing", unscrupulous merchants from which can earn a lot of profits.

3.2 Really good products exit the market

In offline stores, the price of a pearl necklace is often very high. However, in some of the stores' livestreams, the pearls they sold were only a quarter of the price in the stores. But many businesses sell jewelry are their own brands, some brands do not have the management qualification certification, the quality is uneven, although the price is very close to the people. Among the consumers who buy jewelry, except some high-income people who only pursue quality without budget ceiling, most of the remaining consumers will be attracted by the low price in the live broadcast, especially the middle-aged and elderly consumers. These e-commerce livestreaming platforms attract price-sensitive consumers by virtue of their price advantages and make great profits. Some merchants take advantage of the disadvantage of consumer information and make profits by selling shoddy goods and information asymmetry [4]. As a result, high-quality jewelry, due to its high price, cannot attract consumers because its appearance is similar to that of products in the live broadcast of e-commerce, resulting in poor sales.

3.3 Script writing is instructive

In an interview, an e-commerce employee told reporters, "Emotional anchors have a certain acting nature, they have an operation team behind them, will write some scripts, the development of the whole story will be in accordance with the written script. So we gave them a name -- emotional anchors.[5] "There are many such" emotional anchors "in many live broadcasts of jewelry sales. When watching their live broadcasts, it is not difficult to find that their teams have put a lot of effort into writing scripts. "Imagine how proud your mother would be to take her to square dancing," anchor Roy said on air. "Imagine how beautiful it would look when mom went out to play"; "Wear it as gently as you can't unscrew a bottle cap," etc. It is undeniable that such exaggerated publicity can indeed

bring sales effect, but people tend to be misled by these exaggerated descriptions and ignore the quality of the jewelry itself.

4. Causes of problems in live marketing of jewelry industry

4.1 Supervision of e-commerce live broadcasting is insufficient

According to the 47th Statistical Report on The Development of Internet in China, the number of users of e-commerce live broadcast is 388 million, and the users who have purchased goods in e-commerce live broadcast account for 66.2 percent of the total users of e-commerce live broadcast. China's e-commerce livestreaming has a large number of users, a large number of products for sale, a large number of livestreaming events, and a short time for each livestreaming, all of which make it difficult for relevant departments to supervise. The scale of livestream of e-commerce is so strong, but China's supervision is still relatively backward. For example, some bad livestream behaviors such as false propaganda and selling fake products cannot be verified. Moreover, many bad livestream behaviors cannot be found in time, which connives at the exploits of some bad businesses.

4.2 Transformation of people's cognitive channels for jewelry

In the consumer cognition degree of jadeite survey, 35% of consumers understand the relevant knowledge of jadeite, 47% of consumers have a general understanding of jadeite knowledge, 18% of consumers do not understand jadeite. This indicates that the majority of consumers in the live broadcast room have a low understanding of jadeite knowledge, and the phenomenon of non-experts buying jadeite is prominent and vulnerable to the influence of others [9].

In the investigation of jewelry information source selection channels [6], 35.26% of respondents learned about jewelry through brand advertising and we-media publicity, while only 10.87% learned about jewelry through reading professional books related to jewelry. However, brand advertising and we-media propaganda are lack of authority, instead, they are subjective, thus affecting people's attitude towards jewelry products. When people have this color when watching live with goods, it is easy to be misled by some exaggerated and false propaganda to buy.

4.3 The quality of the sellers' anchors is uneven

At present, the entry barrier of e-commerce live broadcasting platform is very low. Usually, live broadcasting can be completed anytime and anywhere with a mobile phone. Some anchors have weak legal awareness, and they tend to focus on how to obtain higher profits, while ignoring the basic principle of integrity. Not only that, some anchors will create some false personality image to stimulate consumers to buy. So when consumers receive physical objects that do not match the advertised products, they will return the goods and complain about the anchors. [7]

4.4 The government does not control prices

As mentioned above, some stores will lower their prices by as much as a quarter of those in brick-and-mortar stores to attract customers. The lack of price controls, however, has led some rogue merchants to set relatively low prices to attract price-conscious consumers. Really good products are too expensive to sell, inferior and cheap products ushered in business opportunities.

5. measures to deal with the problems in direct broadcast marketing of jewelry industry

5.1 Consumers should enhance their awareness of prevention

The phenomenon of live broadcasting with goods "overturned" emerges in an endless stream, and especially in the live broadcasting with goods of some famous online celebrities, fans due to limited cognition of jewelry products, but the online celebrities with more fans go out to trust and place orders

blindly. There is a class of consumers in the discovery of received products do not conform to the description of the business, some people hold more than less than the psychological, did not argue with the business, but silently click the confirmation of harvest. Even though China's supervision laws on e-commerce live broadcasting need to be improved, consumers' psychological lack of self-protection consciousness also leads to rampant unscrupulous businesses. When the rights and interests that discovers oneself in consumer is encroachment by unscrupulous businessman, ought to protect rights actively: the plot is lighter return commodity, the plot is heavier to businessman negotiation, the plot is evil slightly timely inform against to concerned branch. It is very beneficial for consumers to expose illegal behaviors of merchants both for themselves and for the operation of e-commerce environment [8].

5.2 The Platform shall strictly verify product information and transparent and open transactions

5.2.1 Strictly check product information

In product information verification, the platform should take the first responsibility. Limit the integrity of links uploaded with incomplete information and "flash purchase links". That is, for ordinary links, the audit standards should be appropriately raised. When merchants upload commodity links, they should increase the audit efforts, and set price limits by referring to third-party appraisal results when necessary.

5.2.2 Transparent public transactions

Only when the user has relatively perfect product information, he can make a comprehensive evaluation of the product to a higher degree.

The platform should further organize and publicize the past transaction records of each e-commerce business. Including daily transaction quantity and content, market information openness should be enhanced to provide consumers with basic product information so as to facilitate information symmetry and open and transparent transactions between consumers and merchants [10].

5.3 Government controls prices to prevent market failure

Jewelry belongs to luxury goods and is full of price elasticity of demand. When its price drops, the demand increases greatly, which leads to some consumers buying some inferior jewelry products. The government can actively set the price range of each jewelry type, which not only ensures that some low-priced inferior products withdraw from the market, but also prevents some undesirable merchants from raising prices.

6. Conclusion

In view of the huge growth of major online sales and the rise of jewelry live streaming with goods industry, this paper first analyzes the business model of jewelry live streaming e-commerce platform with goods, summarizes the current mainstream jewelry live streaming e-commerce business model, and then analyzes the problems of jewelry industry in vertical e-commerce live streaming marketing. Finally, corresponding measures are proposed to deal with the problems existing in the live broadcast marketing of jewelry industry.

Reference

- [1] Wang Peilian, Chen Siqu. A Brief discussion on the development of jewelry e-commerce -- taking Taobao Jade Direct Broadcast room as an example [J]. Modern Marketing (next ten day), 2018(11):166-167.

- [2] Zhou Min, Song Zhiting. "Lemon" problem in e-commerce market research [J]. Journal of enterprise reform and management, 2019 (14) : 50-51. DOI: 10.13768 / j.carol carroll nki cn11-3793 / f., 2019.1836.
- [3] Gu Xiaoqian. Jewelry live broadcast, why so?![N]. China gold news, 2022-03-22 (008) DOI: 10.38298 / n.c. Nki NZGHJ. 2022.000395.
- [4] Zhang Huan. Research on credit Supervision mode of live delivery -- Based on responsive Supervision Theory [J]. China, 2022 (01) : 188-189. The DOI: 10.13939 / j.carol carroll nki ZGSC. 2022.01.188.
- [5] QIN Zhuoya. Research on Purchasing Behavior of jewelry [D]. China University of Geosciences (Beijing),2017.
- [6] Gu Xiaoqian. 2021 Chinese jewelry industry development report [N]. China gold news, 2022-04-19 (007). The DOI: 10.38298 / n.c. Nki NZGHJ. 2022.000564.
- [7] Su Yao. Electric ShangPing network red live with goods problem and countermeasure research [D]. Hebei university, 2021. The DOI: 10.27103 / , dc nki. Ghebu. 2021.000979.
- [8] Liu Yang, Song Linxiao. Chinese fresh water pearls based on mobile Internet sales model to explore the [J]. Modern agricultural research, 2020, 26 (4) : 133-134. The DOI: 10.19704 / j.carol carroll nki xdneyj. 2020.04.060.
- [9] Xu Lei, Yang Liying, Gao Dashuai. Research on live marketing management of jade in Jade City [J]. Special Zone Economy,2021(10):109-112.
- [10] Yan Minglei. Inner Mongolia Normal University,2019. (in Chinese)