

Livestream Marketing Strategy: Tactics of Chinese Top Influencer Austin Li

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Abstract. This paper analyzes the E-commerce live streaming strategy and team composition of Lijia Qi (Austin), the most influential E-commerce live streaming Influencer in China. Using the SWOT analysis framework, the advantages and disadvantages of the Austin Li team were analyzed in detail. Based on this research, insightful conclusions were gained by in-depth research of the entire Chinese live-streaming E-commerce industry, while giving scientific suggestions for the future development of both the industry and participants. The results show that Austin Li has a structured team composition. Different departments can rapidly cooperate with each other. The team has the professional and powerful insight to support Austin's business by making good backstage support. Austin Li has sensitive policies Insight. He cooperates with the Chinese government on Live streaming and obtains the support of government departments. Austin Li has good empathy and language skills, which can let him quickly infect his fans immediately to further seize the solid foundation of purchasing power.

Keywords: E-commerce industry; live streaming industry; E-commerce live streaming; Chinese fashion industry; marketing strategy.

1. Introduction

Austin Li was born in Nanchang City, Jiangxi Province, China. After graduating from university, the first job that he got was to become a beauty guide sale in L'Oreal front shop. During his work life, Austin showed his passion and optimism that infected his customers with perfect sales ability. In his 3rd year at L'Oreal, he chooses to participate in the live competitions hosted by Alibaba and Taobao. He displayed perfect and fluent eloquence and sales talent during the game. Therefore, he was chosen by the Mei One (Shanghai) Internet Technology Company to sign a contract as their professional influencer. The live streaming business from Taobao E-commerce provided him a chance to grow a snowball in this platform. Eventually, he gained more than 200k fan subscriptions on Taobao. Since then, his team has put the wonderful clips from his streaming and spread them into different platforms, which made Austin became famous and famous. Austin also earned applause and a social reputation to some extent. He also became the torchbearer of the Asian Games in Jakarta. He was also been selected for the 2019 Forbes China under 30 Elite List [1].

Austin Li brings the modern C2M (Customer to Manufacturer) business model to the front stage, which is a perfect channel for a manufacturer to directly reach out to their customer without the middlemen agencies. However, many Livestreamers in China may not perform well as Austin does. According to the "Taobao Tmall Double 11 Day" Livestreaming report, Taobao reached a GMV of 18.9 billion RMB. Austin, Jiaqi Li, the leading livestreamer in Taobao, had finished an unprecedented record. The report also shows Fans and viewers purchased more than 3.3 billion products through his personal live streaming channel, which view counts exceeding 250 million in total. This shocking news quickly hit the headlines at that time [2]. On the other hand, the selling rate of movie stars or celebrities in live streaming is not as good as the top live streamers like Austin Li. For example, Zulan Wang, one of the most famous comedian stars in China, participated in the Double Eleventh Day as well. A Chinese skincare company hired him to make a live-commerce show for selling their products. However, at the end of the streaming, there were 2,000 RMB GMV in his live streaming channel, which means a huge loss for the skincare company when the 60 thousand appearance fee is considered [3]. Therefore, the purpose of this study is to find out the essence of the success of Austin Li, a top

live streamer through in-depth research on the secret of successful cooperation between e-commerce platforms, manufacturers and live streamer.

2. SWOT Analysis of Austin Li's Strategy

2.1 Strength

As the Top Influencer on Taobao and Douyin platforms, Austin Li has a huge number of solid fans foundation. Therefore, he has a strong first-mover advantage in promoting new products due to the higher chance of exposure. At the same time, Austin takes advantage of its C2M (Consumer to Manufacturer) channel, which can let him gain the lowest first-hand price by directly contacting the manufacturer. While he is always able to use the huge quantity of orders to negotiate with the manufacturer to get a discounted wholesale price. Another biggest strength of Austin is professional experience. Before becoming a professional E-commerce Influencer, Austin Li had 3 years of professional front-desk sales experience in L'Oreal. He is an expert in various makeup and skincare products with sufficient knowledge. Therefore, he can provide professional beauty and skincare advice to his audience and customers with their points of view, while recommending the suitable product for them. Compared with other Influencers who recommend the product itself but without any suggestions, Austin contributes his professional insights to favor this audience in a way of honest and servant leadership [4].

There is huge competition in the live streaming industry. In order to make rapid reactions to respond to the fast-paced market, Austin Li embraces collaborations by building his own Livestreaming team in Mei One, which extremely enhances his work efficiency and live streaming coordination. In fact, in addition to Austin Li's talents and efforts, his success is inseparable from the support of the team. Normally, when Austin is holding an E-commerce Livestreaming in his own channel, there are always more than 15 people behind the stage to assist him in different aspects. Some of them are busy dealing with tons of customer order requests. Others need to frequently reply the real-time interactive messages from fans and viewers in the channel, while, maintaining the order of the show. Actually, these two function job descriptions cover a tiny part of Austin Li's team responsibilities. Austin Li himself and Mei One have built a team of over 200 people for him to be responsible for all the behind-the-scenes assistance work. In Austin Li's cooperation team, the main structure consists of the following roles:

Main Influencer / Live streamer: Responsible for main live streaming introduction, product introduction, overall planning, and fan interaction. In Austin's team, this role is usually filled by Li himself.

Vice Influencer / Live streamer: Mainly drive the environment and atmosphere in the channel, introduce promotional sales, remind sales as well as guide viewers to buy merchandise. In Austin's team, this role is usually filled by his assistant, or the invited special guest, such as film stars, celebrities, and another live streamer. The data operator is mainly responsible for counting live streaming feedback operation data in real-time behind the scene while analyzing its trend. Responsible for real-time price adjustment, inventory checks, activity discount setting, and organizational cooperation. Professionals, food scientists, and chemists check the compliance and quality issues of the goods before selling them to further avoid potential threats by harming their customers. Usually, this is something other e-commerce teams may not have. Responsible for video shooting, device framework, and marketing video editing before live streaming.

The clearly structured team provides great convenience for Austin Li, which allows him to focus on improving his own duty, the live streaming sales skills, without worrying about some side-works that may bother him a lot [4].

Indeed, Austin Li's eloquence and talent are strong. His performance on his live streaming channel quickly made people like him and closely emphasize him. During his live streaming show, he showed a strong capacity for empathy with his audience. The Empathy Theory originated from Robert Vischer, a German philosopher. In 1873, he believed that all human beings have the ability to appreciate a

thing, such as a delicate piece of art or music with harmonious rhythm, by extending their emotions further to be able to empathize with it [5]. In 2016, Ilona Herlin and Laura Visapää, two Finnish linguists, conducted further research on Empathy theory in the linguistic field. They believed that Empathy theory contributes to building the linear relationship between emotional contagion and multi-layer interpersonal conversation, both are considered to be the core of delivering the empathy process. Their research shows the relationship between Empathy theory and language should be based on interpersonal communication in real life to understand why people empathize with each other. Language and communication cannot shorten the social distance between each other as well as reduce the sense of strangeness, but also enhance identity [6]. Austin boldly invented a pioneering live streaming tone, he utilized polite and positive words to call his fans, such as "beauties", "babies" and "darlings", which can invisibly narrow down the social distance between viewers and himself, increasing the intimacy and transferring the sense of empathy to Austin [7]. Regardless age, identity, and consumption ability of the customers, he treated his fans in the same position. This action finally generates a strong bridge between Austin and his audience, which across the emotional consensus. He also got the name 'King of Lipsticks' or 'Baby Li' from his fans. Therefore, compared to the other Influencers, Austin has a solid alliance with his fans [8].

2.2 Weakness

Austin's popularity grew throughout time, and the side effect, the weakness, of fame appeared. His fame has brought more viewers and fans, who subscribe to him because of his charming style. However, even if Austin has the best cooperation team in the live streaming industry, he cannot take care of every viewer at the same time. On the one hand, due to the server overload problem of Taobao and Douyin's live streaming platform, a large number of viewers joined the channel as well as purchasing goods at the same time finally causing the crushed of the server, which destroyed the streaming atmosphere as well. At the same time, too many viewers eventually caused Austin's Customer Service team crushed. His team was unable to figure out each customer's problem in a short time, which led to the gradual decline of Austin Li's reputation for being friendly to all the fans. For example, during the Double Eleventh Day, the One-day delivery promised by Austin Li and his team has not been realized as expected, and some customers even waited for more than 2 weeks to get their products. Even so, there are many cases of mis-shipment and product defects as well [9]. From the audience's point of view, they may think this is Austin's greedy fault because Austin keeps accepting the number of viewers that he is unable to bear and serve. In the end, the quality of Austin's live streaming show is going down, while affecting the goods' GMV to some extent.

In addition, since Austin Li has accepted contracts from more and more manufacturers, the categories of goods that his team contracted for have exceeded 70 in one live streaming show [10]. Therefore, the overloaded operation finally causes a problem for his Quality Check team from finding problems in the contracted products. Therefore, in terms of after-sales service, the bad feedback on Austin's product is getting louder and louder. For instance, some customers complained that the beauty products that Austin sold began to have quality problems, which eventually endangered their health [7].

2.3 Opportunity

Compared to many other industries, the Chinese E-commerce industry is rapidly developing and changing over time, which means Austin Li and his team must constantly innovate to maintain the leading position in the market [11]. Since Austin Li entered the market in the early stage, other late competitors tried to imitate his style and team composition, but all failed. By holding the advantage of a solid and gigantic fan foundation, Austin Li and his team can try to discover more diversified categories to expand their scope. For a conservative example, the GMV of China's clothing retail market continues to rise [12]. According to the National Bureau of Statistics, the sales of clothing retail goods increased from 11.7 billion RMB in 2003 to 407.1 billion RMB in 2019 [13]. At the same time, in Taobao and other large E-commerce platforms, the sales of clothing accounted for 48.6% of

the annual sales [10]. On the one hand, traditional E-commerce is facing a dangerous signal due to the monotonous and tedious display form. But Livestreaming E-commerce uses social networks to achieve low-cost click window, at the same time, Influencer can display multiple clothes at one time, which increase the purchase joint rate by offering models to wear the cloth combos by themselves. While E-commerce clothing has no geographic barriers so it can mail to every city both in China mainland and SAR districts, especially during the pandemic. Also, compared with traditional shops, there are no middlemen to increase the marginal price. These points are similar enough to the E-commerce beauty category, which is Austin Li's professional field. Therefore, he can quickly get started with this category by duplicating his successful experience in the beauty category [8]. From an adventurous point of view, the Outdoor travel genre live streaming is also popular among Douyin, Kuaishou, and Tiktok platforms. Austin Li can also be fearless to try to break through the existing boundaries by trying completely different types of live streaming topics due to he has enough recognized figures in the industry.

Austin Li and his team are also cooperating with the Chinese government. Therefore, Austin and his crew also received a lot of resources from the officials. According to China's Progress Report on Implementation of the 2030 Agenda for Sustainable Development, one of the most important policies against poverty in China is the strategy of combining live streaming and poverty alleviation [14]. The main feature of this model is to use the convenience of Livestreaming to support poor rural area, which has many natural resources that can be developed, such as foods, landscapes, and natural materials, in China. The government hopes to let these places be noticed through Livestreaming while establishing good connections with developed areas. Also, letting Influencers sell the products from poor farmers to help them solve the employment rate and income. As a representative of E-commerce Influencer, Austin Li partnered with CCTV, China Central Television, a Chinese state-owned broadcaster, and host Guangquan Zhu to conduct the first public charity Livestreaming in Hubei. During the two hours of streaming, the cumulative number of viewers upper to 122 million in total, while sold Hubei products with a total value of 40 million RMB [12]. At the same time, during Double Eleven Day, Austin launched 20 charity streaming shows by bringing free goods to Qinghai, Shanxi, and other distant provinces for supporting poverty. In recent years, the agricultural products that have appeared on Austin's channel have spread all over Hubei, Yunnan, Fujian, Henan, Heilongjiang, Xinjiang and other provinces [9].

2.4 Threat

Now the market has some similar competitors for Austin Li, some professional Influencers, like Wangyu Luo, have their unique styles and also grub huge market proportions. And many of them are streaming on different E-commerce platforms. Therefore, in the long run, Austin Li needs to further improve and discover his strategies to adapt to the continuously upgrading audience.

3. Suggestions

Due to the harsh competition in the current market, the appearance of homogeneous Influencers has reduced Austin's unique characteristics. Therefore, Austin Li and his team should find new opportunities to break through the potential risks. For one thing, Austin Li and his team need to pay close attention to the national policy orientation. Given their previous collaboration experience in cooperating with the officials, Austin's team should realize the importance of obtaining official resources. Nowadays, with the full liberalization of Shi Jia Zhuang, Hebei province, the nationwide pandemic prevention and control is being loosened and weakened at an orderly pace. Therefore, Austin Li and his team have the opportunity to sensitively capture the benefits of the new COVID policy to expand his influence. For example, digging for new categories of Livestreaming shows in Outdoor travel topics to further attract different viewers, which can largely expand his potential audience population. Austin should hire more employees to solve the insufficient Customer Service shortage while providing better after-sales service as well. At the same time, Austin also has the

responsibility to strengthen the supervision of product quality checks to prevent the risks that working with unscrupulous manufacturers, which will protect Li's brand [11].

4. Conclusions

Austin Li's success benefits from his own unique styles, professional sales strategies, and a structured team with sensitivity in policies. In fact, in the process of studying his case, the latest marketing strategy with different dimensions was suggested. Entering the market and keep using the same strategy without the research of needs will finally eliminate the business entity itself. Austin's true advantage barrier is to make difference from his competitors, he can provide what they cannot provide. At the same time, he grasps the pain points of the target customers and further satisfies their needs. That is the reason he can gain a leading position in the market. Li's experience with live-streaming marketing strategies provides a good example for other practitioners. However, the product categories of Li Jiaqi's live broadcast were not subdivided in this study. Li Jiaqi's live streaming related derivative strategy was also not taken into account in this study. Therefore, future research on the strategy of the live broadcasting industry or the research on the marketing strategy of Li Jiaqi can be further discussed in these subdivisions.

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