

# ***The Impact of New Media Marketing to People's Consumption Behaviour***

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**Abstract:** The existence of the Internet has a great impact on people's lives, among which people's consumption patterns and sales methods are greatly affected. As we all know, people's lives are deeply affected by the network. This has also profoundly affected the way people shop. Now people can surf on the online platforms through mobile phones and other electronic devices, in which people can watch short videos on these platforms. In these short videos, bloggers will insert advertisements from time to time. At the same time, many bloggers also use these platforms for publicity. The main group selling and buying on the internet using media is young people. These young people spend a lot of time and money on online shopping, especially on beauty industry. These consumers are easily guided by the herd effect to follow the trend of buying. There are two main ways to use media to promote on the network: live broadcast and video embedded advertising. Beauty companies can make better use of the convenience of the network to sell. However, many problems will arise in the process of online purchase. For example, the goods do not match with the pictures shown online, and the quality of the goods is poor. So the media has a great impact on people's consumption patterns, and these effects are either good or bad.

**Keywords:** E-commerce, Consumption model, New media, Live -streaming marketing

## **1. Introduction**

E-commerce is defined as the business online with buying and selling goods and services [1]. The e-commerce is growing rapidly nowadays with the development of mobile devices and platformization. From 2007 to 2014, it has grown from around 200 billions USD to around 500 billions USD [1]. E-commerce is influencing a lot of other business strategies such as online advertising and online marketing. New jobs are created with the trend of E-commerce such as Bloggers, who do the work of online advertising. The sellers of the E-Commerce attract more audience, provide analytics for the market, and provide shipping of the goods and so on. However, E-commerce also creates bad results for the physical stores. With lower cost of production and more efficient selling, e-commerce takes the advantage of the internet and brings the consumers and

sellers more closely than ever before, showing a lot more advantages than the traditional physical stores. Thus, it is important to discover how the new media marketing influences the consumptions of the people.

With the larger market of ecommerce, sellers are using different strategies to attract the consumers and affect their behaviors. The paper will discuss and explore how does new media affect consumer behaviors which is how people make decisions to purchase goods and services, their mental and emotional activities and the impacts of E-commerce for customer. In addition, the paper will discuss some of the problems that E-commerce brings, especially between the consumers and the online bloggers, and some of the advantages that E-Commerce brings to not only the consumers, but also for the sellers. The first part will focus on the case study of the TikTok blogger “Dian Di La Hai” and “Li Jiaqi” and illustrate what strategies they use to become successful in e-commerce. The second part includes interviews of two content creators from the online platforms “The Red Book” and five randomly selected users to discuss their feedbacks. The third part uses 264 results from questionnaires containing 9 questions to reflect the consumers’ feedbacks on ecommerce.

In this essay, several academic words needs to be explain. Cross-dressing is wearing clothes that are opposite sex [2]. Live-streaming is the receiving of live video from the internet[3].The scarcity effect is a powerful social influence principle, which is used by marketers to increase the subjective desirability of products[4]. In this essay, the scarcity effect refers to the limited time limit imposed by new media on the goods purchased by consumers to promote the purchase of consumers. Pygmalion effect where an individual's performance is influenced by others' expectations [5]. In this essay, Pygmalion effect are express as influencer use repetitive discourse to make customer believe their commodity have good quality.

## 2. Research Design

This research combines qualitative and quantitative methods. The researcher has read a lot of literature on the sales methods of online live streaming and advertising in videos, and summarized the factors that will affect consumer consumption patterns. After understanding these factors, the researcher observed the video of blogger Dian Di La Hai and the live broadcast of Li Jia Qi, looking for factors that can affect consumer consumption, recording these factors, and analyzing how they affect consumers. After observation, the researchers searched the background data of the two bloggers, analyzed their fans and how these fans helped the two bloggers succeed. The authors interviewed five randomly selected users, both male and female, aged ranging from 16-50 years old, who were students and workers. In response to the question "How does new media affect the way users consume?", the author conducted random interviews with five consumers and targeted interviews with two beauty makeup bloggers. The results of these interviews will be analysed in detail in this section. Additionally, the method of questionnaire is conducted to the consume habits and consumption psychology of customer. The questionnaire has 12 questions for analyzing the impact of video and live streaming strategy on the consuming psychology of consumers. 264 questionnaires are valid. This questionnaire includes all age groups. But the main group is 18 -25 years old which also are the main group of this research. The analysis of the result will be divided into three parts and discussed at end of each part.

### 2.1. Case Study for the Event of “Li Jia Qi and Dian Di La Hai”

Tiktok blogger "Dian Di La Hai" has increased the number of fans by 6.6 million in just one month because of his international cross dressing series videos. In fact, cross dressing video has become a commonplace topic on Chinese short-form video sites, and many bloggers have become popular. In

cross dressing, the most important thing is the ability to make up. Excellent makeup ability requires excellent beauty products as clamping. Many brands have seized this opportunity to increase their sales by co-branding with Dian Di La Hai.

He stick out from the crowd in the era of network information explosion and use new media to attract traffic and improve his own business value since his videos can narrow the psychological distance with users. Many famous cosmetics brands will give users a feeling of being unable to reach, but in his videos, these are just tools to help him transform. Secondly, with his increasing popularity, many official accounts of beauty brands came to the bottom of his comments section to comment. Such interesting interactions can be found all over his videos, but they have never happened in the comments sections of other bloggers.

The cross dressing video itself is a walking advertisement. The beauty industry has received great attention in recent years. Dian Di La Hai found this opportunity, so he inserts relevant advertisements in his videos, attracting huge traffic. Data shows that he has completed 26 commercial advertising cooperation tasks, and there are still 11 ongoing cooperation tasks [6]. Secondly, male beauty bloggers are relatively rare in China's short video market. As a result of his uniqueness, data shows that women account for 70.6% of his fans. At the same time, data also shows that there are more users aged 18-23. There is no doubt that young women are the main target group of the beauty market.

Live-streaming blogger Li Jiaqi opened his studio again after 109 days of disappearing on the Internet. More than 3 million people watched it in just 10 minutes. Li Jiaqi, whose influence, as an anchor, is huge. His main job in the studio is to recommend beauty products to all the audience and evaluate all the products by himself. From May 15 to June 13, 2020, according to the public monitoring data of third-party data companies, Li Jiaqi broadcast 27 live broadcasts, brought 2.3 billion goods, and an average field sales of 84.89 million yuan [7].

How did Li Jiaqi use the excellence of media to become popular and improve his commercial value? He made use of the Herd Behavior. Herd behavior is the herd following mentality of economic individuals [8]. That means that when people see most people buying it, even if the beauty product doesn't work for her or herself, they buy it. In Li Jiaqi's studio, many beauty products need to rely on hand speed to snap up. Scare buying is a common marketing strategy, but media makes it more convenient, allowing more people to participate. Because of this convenience, more and more people are buying a beauty product.

What also helped him succeed is his frequent presence in the public. Using media software, such as TikTok, some classic pictures from his broadcast studio will be edited down and pushed to more people, so that more people can know about him and share them with their friends, thus forming a network. So that more and more people go into his studio and buy it. This not only increased Li Jiaqi's personal popularity, but also helped him to better bring good.

### **3. Result and Discussion**

#### **3.1. Interview for Different Live-streaming Customers**

Firstly, there is the analysis of the interviews of two beauty makeup bloggers. During the course of the survey, two Little Red Book bloggers were interviewed by the group. The first blogger's ID is "octopus cub", she is a freshman student, and her main output is broad in scope, including life goodies, dressing ootd and makeup sharing, as well as daily plogs and vlogs, with a fan base of around 29,000. The second blogger's ID is "Dong Yueyu is on a diet". She is also a college student, and her main output is about makeup sharing and daily vlogs, with a following of around 760,000. As a seller, the blogger's role in subliminally selling beauty products to customers is a major factor

influencing their consumption patterns. Through the interview method, the group was able to obtain first-hand information about the bloggers, furthering the research on customer consumption patterns.

In terms of promoting beauty products, both bloggers said that even though they do not have a very large fan base, the operation of the self-publishing platform has brought them a significant amount of income. Because they have built up their own personas on the platform to be relevant and appeal to the public, more and more of their followers are willing to buy beauty products from their accounts. They mentioned that their fans are more willing to trust them because of their persona or their own charisma, as well as their quality content output. Moreover, based on the bloggers' own experience of using the products, they make content with a sincere sharing attitude, which is more convincing to their audience. Regarding the brand positioning aspect, the group went through the questions of how to promote and how to approach brands. These beauty brands are positioned between high luxury brands such as Estee Lauder and popular brands such as national brands. As you can see from the backend data, using a compilation is more effective because the price and brand positioning of these beauty products are more affordable, after all, the audiences of high luxury brands and public brands are different.

Moving on, during the interviews, the authors found that all of them had purchased beauty products online, but there were significant differences in the frequency of purchase. Among the five interviewees were two men, one a male high school student and the other a middle-aged 30-year-old man. They all had only 1 or 2 purchasing experiences of beauty makeup products, and all of them were made on Tiktok in a live stream. All five respondents said they like to buy products on TikTok and the little red book because of the bloggers' recommendations and other customers' experiences and reviews on these two platforms. The other three respondents were all women. They clearly stated that they would often buy beauty products on the self-publishing platform. Most of the time, they purchase from the live streams of popular beauty celebrities such as Jiaqi Li, as they have great discounts on luxury makeup products, and sometimes they may find cosmetics they like while browsing videos and purchase them through the video links. One 26-year-old interviewee even said that she extremely follows a beauty blogger she trusts and buys every single makeup and skincare product the blogger recommends. Because this blogger has a strong reputation, he has earned the trust of many audiences. The interviewee said she would not buy the beauty product that this blogger didn't recommend and she will watch this blogger's reviews before each purchase of certain beauty product.

### 3.2. Quantity Study for Consumption Psychology of Customer

In order to find the impact of E-commerce on customers, this questionnaire has been used in this research. This research are using 264 questionnaires that we turn back. According to Figure 1, Youth below 30 years are the main research target in this research. 50.76% of people are 18-24 years old and 35.98% are 25-30 years old. Then, our second is "Do you often watch live-streaming platforms". According to figure 2 -- the Combining our first and second questions, we found that 18-24 years of people have very high enthusiasm for live streaming. High percentage of 18-24 years old people choose "always" and "usually".

1. How old are you ?

Choice	total	Percentage
A.Below 18 year old	23	8.71%
B.18-24 years old	134	50.76%
C.25 -30 years old	95	35.98%
D.31-40 years old	12	4.55%
In total	264	

Figure 1: Age question.

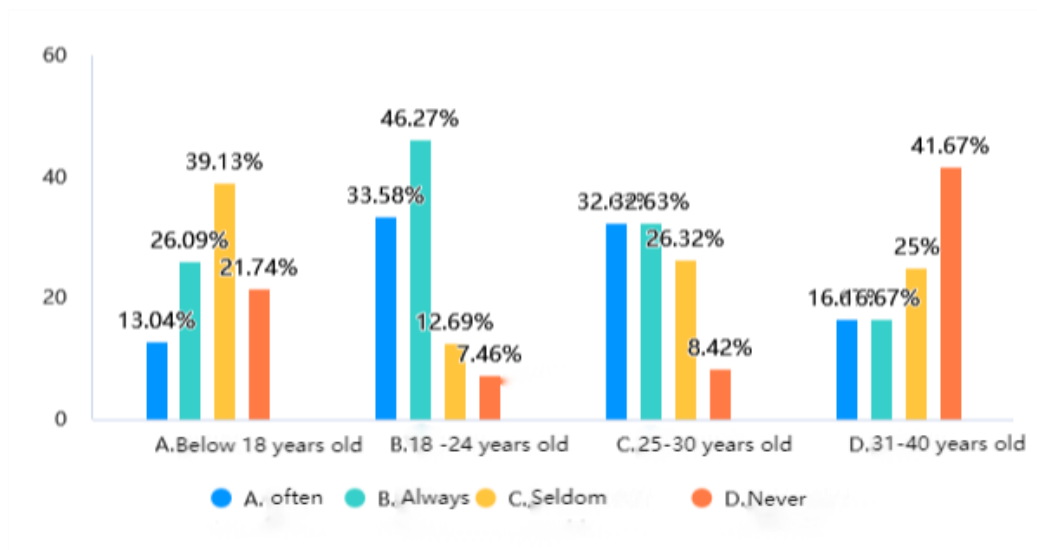


Figure 2: Combination of first and second questions.

According to Figure 2, we can find that people who always watch streaming video platforms are youth who are 18-25 years old. However, we can find their consumption combined with Figure 3.

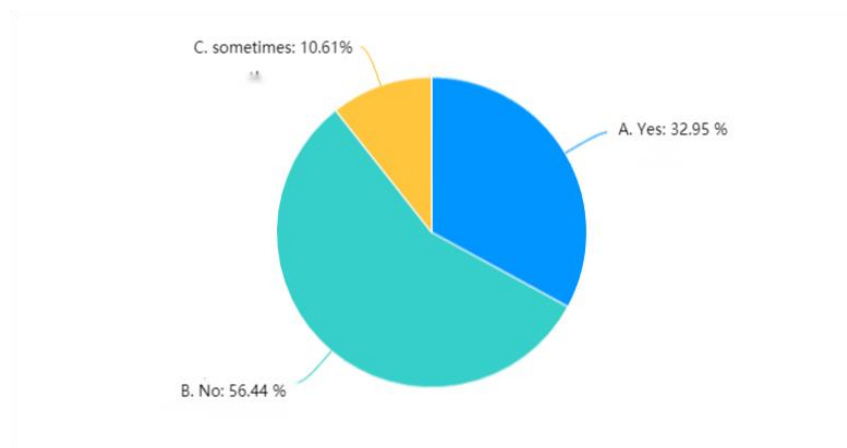


Figure 3: Do you borrow money to buy things online.

3. Your salary or your living expenses ?

4. Expect living expenses, how much do you spend each week shopping on video or live streaming ?

X\Y	A.Below 2000	B.2000-5000	C.5000-8000	D.Above 8000	Total
A.Below 2000	58(100%)	0(0.00%)	0(0.00%)	0(0.00%)	58
B.2000-5000	5(11.36%)	39(88.64%)	0(0.00%)	0(0.00%)	44
C.5000-8000	5(5.21%)	41(42.71%)	50(52.08%)	0(0.00%)	96
D.Above 8000	2(3.03%)	15(22.73%)	41(62.12%)	8(12.12%)	66

Figure 4: Combination of third and fourth question.

The figure 4 -- Combination of third and fourth question. This result shows that 88.64% of people who make 2000-5000 yuan a month salary still use 2000-5000 yuan on e-commerce. It means they will spend almost all of their salary on e-commerce. Then, figure 3 -- pie chart represents the fourth question “Would you borrow money for online shopping ?” A “yes” B “no” and C “sometimes”. 32.95% of people choose “yes” and 10.61% people choose “no”. Almost half of the people in our research spend great quantity of money on online shopping. What makes online shopping become so attractive? This research will analysis from consumer psychology in the next part.

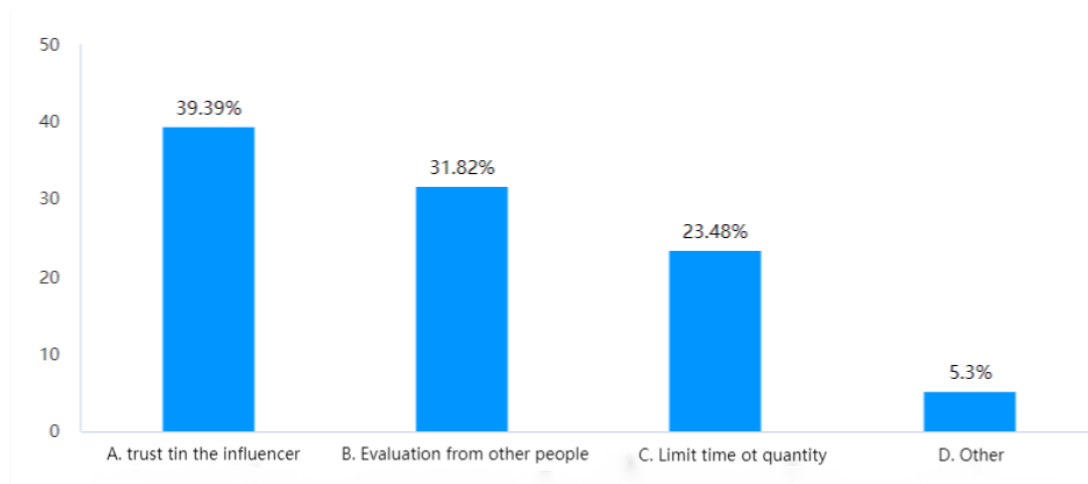


Figure 5: The reason of purchasing.

According to Figure 5 which is the ninth question, three factors are the main factor that influences customers' consumption online. “The belief for blogger”, “Praise from surrounding people” and “limit time sell and quantity sell”.

12.Do you buy things for a limited time or time limit quantity

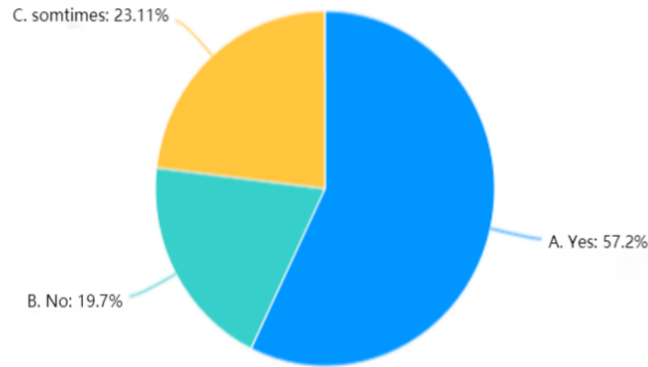


Figure 6: Do you buy things for a limited time or limited quantity.

Figure 6 shows the result of “Do you buy things for a limited time or time limit quantity?”. 57.2% choose “yes” and 23.11% people choose “sometimes”. It means customers will pay certain attention to the scarcity of this commodity. According to the research on the scarcity effect from Lynn, Marketers can increase the perceived value of products, services, and promotions by manipulating their scarcity” [9].With the value in the customers’ perception increase, the commodity’s price will also be high and they will easily become popular. However, there’s a problem found when the 12th question interacts with the 11th question.

X: 12. Do you buy things for a limited time or time limit

Y :11.reason of returning item after video or live streaming shopping

X\Y	A.The quality does not conform to expectation	B.Impulse buying	C.other	total
A.Yes	122(80.79%)	19(12.58%)	10(6.62%)	151
B. No	20(38.46%)	21(40.38%)	11(21.15%)	52
C Sometime	32(52.46%)	19(31.15%)	10(16.39%)	61

Figure 7: Combination of the eleventh question and twelfth question.

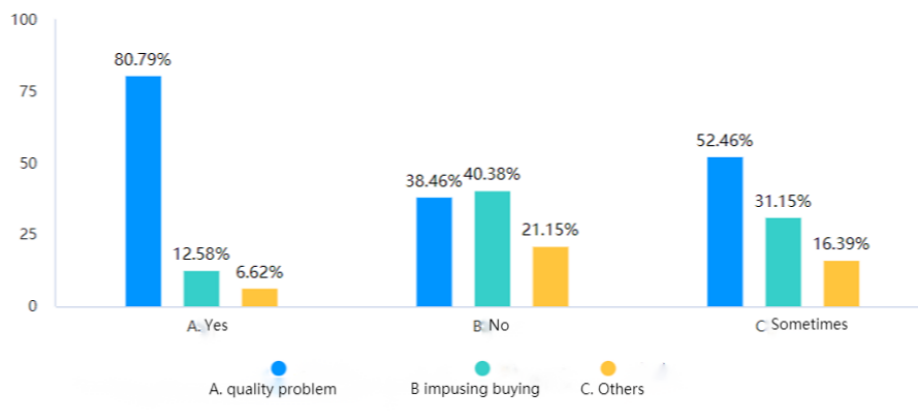


Figure 8: Bar chart for Combination of the eleventh question and twelfth question.



In figure 7, Y means the 11th question is “what’s the reason for you return the item”. According to figure 7 and figure 8, 122 people choosing return in 155 people choose they will buy commodities because they are limited time or quantity. It takes 80.79 percent. It means 80.79% of people found the commodity does not match their imagination. This data also shows the virtual-high price.

X. Reason of buying item from video or live streaming

Y. Do you often watch live webcasts ?

X\Y	A.Sometimes	B.Always	C.seldom	D.never	total
A.Trust for <u>influencer</u>	32(30.77%)	48(46.15%)	19(18.27%)	5(4.81%)	104
B.evaluation from other people	28(33.33%)	29(34.52%)	16(19.05%)	11(13.10%)	84
C.Limit time or quantity	16(25.81%)	23(37.10%)	15(24.19%)	8(12.90%)	62
D.other	5(35.71%)	1(7.14%)	4(28.57%)	4(28.57%)	14

Figure 9: Combination of second and the eleventh question.

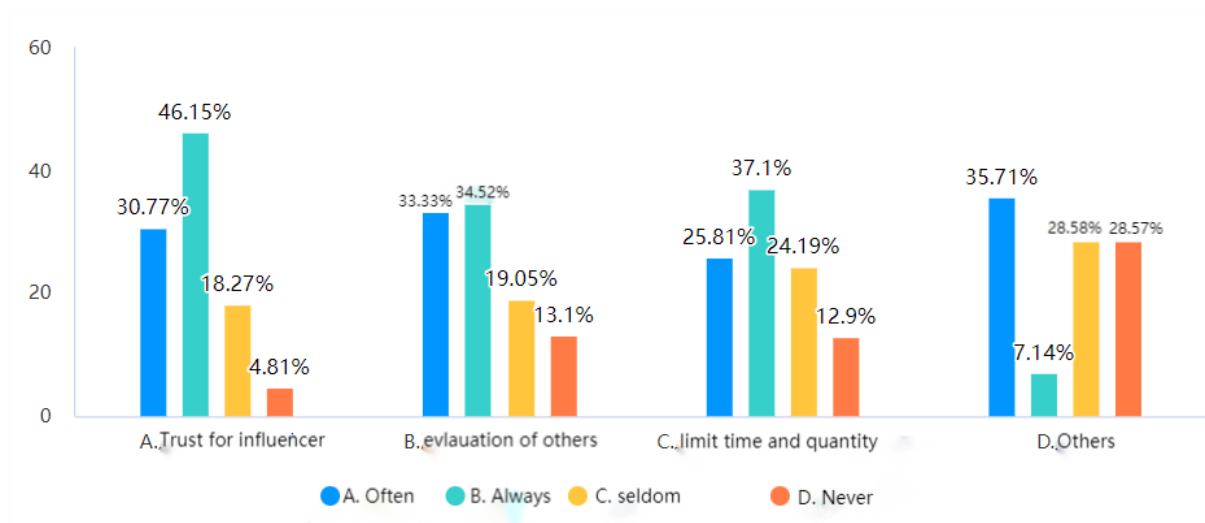


Figure 10: bar chart for Combination of second and the eleventh question.

Question 2 “Do you often watch live streaming platform”are set as Y and Question 9“What are your reasons for buying the products featured on the livestream”are set as X in Figure 9. As shown in Figure 10, 46.15% people who always watching live streaming will buy items because of trust for bloggers. Then, the result is obvious. The main reason that lead to high virtual price is blogger. They will using repetition and emphasis to show their commodity have high value. According to An.s, Xu L, Mao W and Raza H , Repetition can lead to an increase in the perceived validity of stimuli, which is referred to as the illusion of truth [10]. They are also find that three times repetition are the most believable times for receivers. This result exactly conform to the tag of a famous blogger -- Li Jiaqi. He’s most popular tag is “buy it, buy it, buy it”.

In conclusion, the result not only shows that the online live broadcast market is dominated by young people with impulsive consumption characteristics. It also shows that customers are easily



influenced by influencers when they check the live - streaming platform. Like the scarcity effect and “Repetition” that influencers used to lead customer purchase.

#### 4. Conclusion

E-Commerce is influencing the current market and the consumers' behaviors greatly. From the interviews, more and more consumers choose online platform to buy goods and services. In addition, live streaming is becoming a more and more important way for people to accept information of products. Using certain strategies such as “Herd Behavior” and scarcity buying, the online platforms helps the merchants to better control and use the consumers' behaviors to sell their products. There are some results from the questionnaire. Firstly, the potential customers of the e-commerce are the young people, as from the data, almost 80% of the young people with age around 18-24 says that they will watch live-streaming, which is the main platform for new media marketing. Secondly, the market for ecommerce is huge, for people spending almost all of their salaries for online shopping. The potential market is also huge because of the people who borrow money to shop online. Thirdly, the consumer behaviors are easily to lead in e-commerce, for example, the strategy that using scarcity to lead to more consumption by , is influencing the consumers much more than before. There are also some problems about the e-commerce. The consumers sometimes do not find the products they receive after online shopping similar to the products they see online. Due to this, the trust between consumers and the online sellers is very not strong. This is lead by Pygmalion effect that essay just mentioned. In this essay, Pygmalion effect are express as influencer use repetitive discourse to increase the value of their commodity. This behavior will decrease the trust of customers for live-streaming marketing. As the online platforms cannot ensure the products' quality from the online sellers whereas the consumers buy the products and services based on the trust of the bloggers, the importance of trust between the customers and the online sellers is growing.

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