

Connexx Marketing & Event

Live-streaming is booming in China: How will it change the E-commerce industry?

Can you imagine that a top live streamer in China made sales revenue of 6 million yuan (around AUD1.25 million) within 3 minutes? His success is just the tip of the iceberg in the Chinese live-streaming industry, which has become a new e-commerce retail model that can make huge profits. The incredible market momentum from the Chinese e-commerce live-streaming industry has led to a ton of foreign enterprises to take advantage of this opportunity to enter the Chinese Market.



Picture: <http://www.leesharing.com/lipstick/>

The Lipstick Boy is just the beginning of the new wave in Chinese Live-streaming industry

Austin Li (Li Jiaqi in Chinese) is a millennial young boy in China – he is a famous live-streamer who could test nearly 400 lipsticks per day during the live-streaming. Most products he introduced would be quickly sold out.



Picture: <http://www.qqcjw.com/gncj/20180907/17370.html>

Li's sales ability was majestic; amounted to 70 million yuan in a single live streaming. During the live-streaming on women's day in 2019, Li sold 7000 sets of facial masks, 30 thousand bottles of essence from an obscure local brand, and he even made the lipsticks he promoted sold out in 3 minutes.



Picture: <http://www.qqcjw.com/gncj/20180907/17370.html>

Justin Li is estimated to have the annual income of 15 million, ranks the third place in Taobao live broadcasting history.

How E-commerce Live streaming is setting new trends in Chinese market

Not only Li has such astonishing sales performance, but there are also numerous talented live-streamer in China. Taobao Live created hundreds of billions of sales, with a target of 180 billion in 2019.

Comparing with live-streaming e-commerce, the traditional e-commerce has lost its advantage gradually due to its simplex merchandise display mode and

lack of social behaviour, although users can shop without leaving home, they still cannot have an augmented interactive shopping experience.



That's the reason why live streaming is in the spotlight, becoming a rapid growth retail mode in China. On Taobao, a leader in the trend, e-commerce live streaming generated a sales volume of RMB 100 billion in 2018, growing nearly 400% year-on-year based on the report of Yicai.com Financial Review.

PEdaily.cn stated Taobao's conversion rate of entering pertinent e-stores exceeded 65%, the number of daily live broadcasting exceeded 60,000 times in 2018. Eighty-one live-streamer earned more than 100 million-yuan GMV.



The director of the world's largest B2C platform Taobao's content e-commerce department, Wen Zhong, claimed Taobao will invest more budget on the construction of live-stream virtual shopping rooms with an annual transaction value of RMB 100 million (around AUD 20 million) each.

Live streaming is accelerating the e-commerce effect on traditional retail, bringing vary physical products of different categories online to the Chinese consumers.

Shopping Festival Can Be the Best Trigger Point

Large shopping festivals such as “618 mid-year sales” hold significant potential for foreign businesses looking to sell their products in China. As an added bonus, shopping festivals stimulate the Chinese consumers’ incentive of shopping that have a great impact on the e-commerce industry as a whole.

According to the Sina Technology’s report, the cumulative amount of orders placed by JD.com reached 180.9 billion yuan during “618 shopping festival” in 2019 that increased 14% compared with last year.



Picture: <https://tech.sina.com.cn/i/2019-06-18/doc-ihytcitk6047187.shtml>

E-commerce in China is highly competitive and can be difficult for new participants to penetrate. Online shopping festivals provide an opportunity for foreign businesses to entice Chinese consumers, market themselves, and boost brand presence.

The general manager [Kevin Zhang](#) from Australian marketing agency [ConnectX](#) indicated “We are the pioneer of Australia marketing industry who seizes the market opportunity... so this year’s mid-term shopping festival, we hold a live broadcast called “LIVE! Australia We Love” on 18th June in Australia. Four influential KOLs we invited are the top live-streamer in Australia and New Zealand, some of them even won the Taobao Excellent Live-streamer Award.”



The live-streaming event held by [ConnectX](#) has taken off successfully. They cooperated with the leading brands of Australia and introduced the Australian best-seller products to the Chinese end-consumers; they offered enticing opportunities for foreign brands to raise brand awareness, market towards Chinese consumers, and achieve higher sales.

[Zhang](#) mentioned that this event was just a beginning...they are planning to corporate with Chinese top-tier KOLs like Austin Li to come to Australia to join their future events later this year.

China's e-commerce festivals can be considered as a good case study for foreign businesses. Detailed marketing strategies to navigate China's competitive e-commerce landscape allow them to reach valuable consumers in a country where many are turning to e-commerce for all their shopping needs.

Zena Zhong | Media Executive

M: 0426 688 015

W: www.sydneyconnectx.com

E: zena.zhong@sydneyconnectx.com