

Research on the Guiding Effect of New Media on Consumer Purchasing Behavior and Willingness

Shuyang Sun^{1,a,*}

¹Shanghai Guanghua Cambridge International School, Shanghai, China

a. sySun0131@hhu.edu.com

**corresponding author*

Abstract: New media, which plays a significant role in the development of economy of China, especially e-commerce, has guiding function to the intention and behaviour of the consumers for a large range of age. The study will illustrate the key component that have a great effect on marketing and advertising. By pointing out the nature of new media, the study is going to analyse how guiding function works in leading individuals to decide to consume and give the countermeasures to those unpopular media platforms, which promotes the development of other social medias and the whole economy. In order to explore the popularity and the guiding function in driving the development of the economy by new medias. TikTok will be taken as an example as to the sample of live streaming which is another way with guiding function in consumption. Other media platforms will be a comparison to TikTok in the degree of successfulness of advertising.

Keywords: New media, Consumption, Consumer willingness, Social economy

1. Introduction

The rapid advancement of modern technology and the emergence of social e-commerce have triggered a significant shift in consumer behavior towards online shopping, particularly through live-streaming platforms, as opposed to traditional brick-and-mortar stores. This shift can be attributed to the convenience offered by online platforms, making it easier for consumers to access and purchase the products they desire. Furthermore, various technologies designed to encourage increased consumption have evolved in tandem with this trend. These technologies include live-streaming features and social media posts on platforms such as TikTok and Instagram, which play a pivotal role in stimulating consumer interest and driving online sales. Consequently, as technology continues to evolve, the landscape of consumerism is undergoing a profound transformation.

As a result, the Internet economy popularises nowadays, with many more MCNs called multi-channel networks, which are also the companies set for celebrities, in order to promote the Internet economy, especially live-streaming. TikTok, "RED" and "Kuaishou" are the three largest-scale applications supplying platforms for celebrities to sell goods.

According to the China Zheshang Securities Research Institute, during the capital turyere and flow dividend phase, which is depicted in this short movie, the number of domestic MCNs increased to 2w+ between 2017 and 2019. The sector has matured over the last two years, resulting in a three-year compound growth rate of only 6.3%. The Internet celebrity economy is simply a business concept

that takes advantage of Internet celebrities' visibility, their extensive fan bases, and their volume of forwarding to achieve a deliberate and specific marketing strategy to sell goods [1].

Therefore, certain questions arise: How do these strategies convey messages to consumers, thereby encouraging increased purchases of their products? Furthermore, what are the best practices that businesses should adopt when employing internet celebrities for product promotion? Next, this study will research different aspects of the mechanism and the influences of social media on consumers, which may be investigated through some specific approaches. However, this kind of economic development is based on the preferences of consumers. What can influencers and the platform change for more page views and consumption? Hence, the following study will discuss the guiding function of social media in e-commerce and give some suggestions to those unpopular platforms.

2. Overview of social Media and Its Usage

Different from traditional e-commerce and offline shopping, live-streaming shopping organically combines social media with the purchasing process. Thus, live-streaming shopping features sociality, immediacy, and virtuality [2]. In this context, consumers will rely more on other's posts with any comments. The exterior factors help consumers to make shopping decisions. This is why people are more willing to do online shopping rather than in-store shopping. They have a preference to seek feedback from other individuals, especially some influencers on social media, so that they spend more time on seeking for these kinds of comments, they can choose what they think is suitable for them.

Another reason that consumers may rely more on social media is that the consumption concept changes for the time being. Young people prefer enjoying life and pay more attention to the improvement of living standards [3]. Also, as Internet technology has advanced and e-commerce platforms have gained prominence, it is considerably more practical to consume because of the popularity of deliveries, which effectively meets consumers' need to be able to purchase items without visiting physical businesses. According to the statistics of China Guangfa Bank consumption data, from January to October this year, the amount of money spent online by young people in Hangzhou surpassed 4.6 billion yuan, more than 70% of the city's youth are Internet "cloud people," and more than 90% of the population plans to engage in online activities. Therefore, This is the main reason that live streaming and recommended posts on social media play a significant role in driving people to engage in more online shopping activities, ultimately contributing to the growth of e-commerce in the country.

3. Social Media's Mechanism for Influencing Consumer Behaviour

3.1. Guidance on Obtaining Information about Goods and Services

A common social phenomenon is that due to the rapid development of e-commerce platforms, people always seek information on the Internet. Thus, advertising and recommending on social media are the two most common ways to introduce products.

The Internet is regarded as the main approach to getting information. Due to the tremendous richness, simplicity, and attractiveness of the information distributed through various network platforms, college students' purchase decisions are greatly influenced by it [4]. Especially with the occurrence of multiple new media platforms, information is made more appealing by "new media" for conveying it, such as bloggers, Internet stars, public accounts, etc. This improves the transmission impact and solidifies the power of network platforms on information channels [4].

For instance, some bloggers will do some appraisal of some makeup from some cosmetics companies in order to give an impression to the individuals. They will introduce the functional component, such as some skincare products, and show some changes that are caused by the ingredients from the products, which can directly show the function of the sets. These kinds of

showups can highly attract consumers by stunning change. Moreover, some influencers may set makeups from different brands but with similar function in different levels. They will tell the consumers which are the best and the worst. This can help consumers to do better choices for themselves, but this type of recommendation is much simpler in introducing each product.

As for advertising, a tale will always be used by businesses to introduce their goods. Some celebrities will be invited to contribute to the advertisement, which can increase the publicity of the products. Once the advertisement has been posted online, some big and frenetic fans will purchase a large amount of consumption of the products, which can highly promote the development of the economy and increase the profit gained by the business. In conclusion, the rapid growth of live streaming and digital recommendations is primarily driven by two key factors: conducting online purchasing and promoting e-commerce.

3.2. The Social Influencer and KOL

KOL, which called key opinion leader, is a significant concept in Marketing. In the e-commerce, these kinds of people always have the comprehensive and extensive information in certain industries and are respected or trusted by the appropriate groups and who have a stronger impact on this group's purchasing decisions, especially celebrities and influencers on social media.

Leveraging social media, Key Opinion Leaders (KOLs) play a pivotal role in striving to establish dominance within various sectors, including the fashion industry. The analysis of KOL marketing through Social Network Analysis (SNA) is a selected approach for examining the current landscape of KOL marketing in China. This analysis was conducted using data obtained from four prominent Chinese databases, specifically Tencent Data Lab, China Internet Network Information Center, and Luxe [5].

In the guise of important opinion leaders, the digital era has provided companies with new and more effective targeted marketing tools. For example, Armani invited one of the typical KOLs, Jackson Wang, as their perfume representative. The first reason they chose Jackson is that he is in accord with their brand concept and the perfume. Armani perfume's enduring appeal is interpreted by his elegance and depth, and the brand is given an endless amount of energy by his fiery, bold, free spirit. The main reason which can passionately promote the consumption of their perfume is its sizeable fan base, especially female fans. They may buy the perfume as they want to have similar products to Jackson.

The dominance of social media has transformed the way people live and acquire real-time information. As individuals transition their social interactions to the digital realm, online influencers have emerged as a contemporary and cost-efficient marketing tool [6]. These influencers, with their distinctive online personas, act as catalysts in the distribution of information, owing to their substantial influence in setting trends and shaping the opinions of others. Key Opinion Leaders (KOLs) are pivotal in directing individuals towards making purchases.

3.3. Impact of User-Generated Content (UGC)

The author presents a novel idea known as User Generated Content, commonly referred to as UGC. This concept involves specific users creating posts, such as videos and photos, which are then shared. The content shared within UGC is rooted in the personal experiences of consumers. Consequently, it has been demonstrated to be more reliable, valuable, and impartial. Prospective consumers place their trust in content created by fellow users when it comes to brands and products, primarily because they believe these users have no vested commercial interests. Therefore, online consumers consistently depend on content produced by their peers to aid them in making informed purchase decisions [7].

Using mobile UGC as an illustration, mobile UGC primarily takes the form of mobile community networks and mobile video sharing. Among these, mobile community networks have established a substantial presence in countries like South Korea, Europe, and the United States. As reported by Juniper Consulting, social networking stands out as the dominant segment within mobile UGC, boasting approximately 14 million users across the globe. In 2007, the global revenue generated by mobile UGC amounted to \$572 million, with mobile community networks contributing over 50% of this figure. Projections indicate that mobile UGC revenue is poised to surpass \$5.7 billion by 2012. During this period, social networking revenue is expected to decrease to 21%, while personal content sharing, notably video sharing, will become the prevailing trend.

Remarkable progress in the realm of mobile UGC has been witnessed in South Korea, where mobile carriers from various Asian Pacific, European, and American regions have ventured into this market over the past two years. In 2001, South Korea's SK SK introduced Cywo.com, a mobile community service. Cyworld has become one of the world's most successful mobile community ventures, with more than 15 million users, equivalent to a third of South Korea's population. The majority of Cyworld's users, mainly young adults in their twenties, generate up to 20 million daily views.

UGC plays a substantial role in the economy, particularly in e-commerce. E-Marketer forecasts that by 2013, more than half of U.S. adult Internet users will regularly engage with social media. As of July 2012, the active user base on Facebook had reached a staggering 955 million, reflecting a 29% increase from the previous year. This surge in popularity has led to the creation of extensive online user-generated content (UGC) and word-of-mouth (WOM), significantly attracting marketers' attention [8].

4. Mechanism of Social Media Influence on Purchase Intention

4.1. Consumption Experience Telling and Purchase Intention

With the universal of social media, the comments on the Internet to great amount of goods is transparent and visible. Each customer can go through the comments that are posted by the buyers. Thus, if the comments are almost negative, customers may give up buying this product. This is relevant to the Word-of-Mouth (WOM), which means internet-based referrals and information sharing about a good or service. With the continuous development of research, the definition of WOM is gradually diversified. A less experienced consumer may use the web to gather positive or negative information about a product's information and purchase experience shared by other more experienced consumers, or they may share their own experiences and opinions online, creating what is known as Internet WOM. Kim and Lee [9] made this point [9]. For most of occasions, there is a preference to those brands which have many positive comments and great WOM. People are more willing to purchase the items from these companies. WOM has a huge impact on consumers' intention to purchase.

4.2. Creative Social Media Advertising And Purchase Intention

A brand is a crucial indicator that successfully communicates the principles and ideas behind associated goods and services. According to the traditional brand marketing theory, a brand's value is primarily expressed in two ways: first, by successfully communicating the internal cultural concept of related goods and services, and second, by enabling consumers to appreciate the benefits and worth of related goods and services for the first time [10].

Branding is a crucial aspect of marketing, aiming to establish a strong emotional connection and recognition of a company. It helps companies maintain a competitive edge, enhance social standing,

and create a lasting positive impression on customers. Some businesses differentiate themselves within their industry, leaving a unique and memorable impression.

Brand marketing employs various strategies to increase marketing effectiveness, enhance a company's product market reputation, and expand its reach in consumer information dissemination. In the e-commerce era, personalized branding is essential to capture consumers' attention and deliver tailored information. For instance, individuals searching for cosmetics will receive personalized content related to makeup.

4.3. Personal Space and Purchase Intention

In essence, consumers make decisions based on utility or preferences; as a result, when they decide to complete a purchase task using the Internet as the purchasing medium, the direct utility provided by online shopping comes first [10]. But how can the customers get information about the usage of certain products? One of the reasons why people can be motivated to consume by social media platforms is the positive comments about the products. As the author mentioned above, they always look up for information from people's comments and feedbacks on shopping website, such as Taobao web.

Also, many bloggers can be an incentive to purchase. With great fame and reputation, some renowned influencers will recommend some products, especially makeups such as eyeshadows, lipsticks and foundations with the cooperation of certain businesses. Due to the high credit in customers' hearts, consumers are more willing to purchase the products from the store of the influencers. Meanwhile, the celebrities will show the efficacy of the products even with some filters in order to introduce the advantages of the products. Occasionally, they classify different goods with similar usage in levels to recommend. Consequently, consumers will be led to consumer due to the popularity of the products. Such a stimulus can highly guide individuals to do consumption.

5. Analysis of a Case Study

Chinese TikTok, which is a media platform for some advertising and posts, has brought a new specific approach to consumption. With the popularity of Chinese TikTok, many more live streamings have been done recently.

Take Li Jiaqi as a representative of live streaming. He can be regarded as the first person to bring the shopping by live streaming to the public. To deliver products via the lipstick broadcast room on Taobao, Li made a lot of sales, earned a lot of money and became the network's top celebrity anchor. Li Jiaqi, as the head of the network celebrity anchor, triggered more than 31 million people to watch the five-hour live broadcast on the first day of the 2019 Double 11 pre-sales, and the commodities in the video were directly sold out and set a sales myth of one billion [11].

Li, as the head of influencer, can rely on the huge number of views to negotiate with the suppliers in order to get a lower price than the usual product price or the price of event products such as official flagship stores. According to the demand theory, usually, people tend to buy products with high quality but low prices. This kind of way can try its best to help customers to get the products with lower price and can attract much more consumers during some special days such as "Double-eleven." In the meantime, in the broadcast, many freebies will be sent to the customers who buy the products. Such an attractive limited-time account has also become an irresistible reason for many fans to purchase.

Fans can ask questions at any moment while the live video host is clarifying specifics and introducing items in a timely manner to the audience. The presenter will also estimate the total number of products on the video broadcast if the viewers can see how many products have been seen in the video broadcast room. And give supporters a head's notice so they can buy them. The countdown will

give fans a chance to be ready before they make a purchase. In order to create a sense of competition and urgency among the fans during the purchasing process, the presenter will also reveal the whole inventory of the remaining goods. As a result of the host's advertising and the volume of viewers, there will be a herd effect and many viewers may follow the fashion for purchasing, leading to impulse purchases.

With some facial expression and loud voice, this can maximise the intention to do consumption in live streaming. Also because of the fast pace in the cities, people always purchase goods online, this is one of the most important factor that promote the e-commerce.

6. The Potential Problems in Social Media

6.1. Consumer Privacy Protection

With the popularity of social media, people's private information will be recorded online, and so will the problem of information leakage. This is because it is quite easy for individuals to search for other's information. Privacy Settings in social media allow users to customise the scope and degree of privacy, which is conducive to the protection and control of their own privacy [12]. However, it is said by Facebook that users are lack real control of the settings. The New York Times noted in 2008 that because Facebook does not offer a method for individuals to terminate their accounts, user data may stay on Facebook servers indefinitely [12]. This causes the leakage of information online.

In China, one of the shopping applications called Pinduoduo can be regarded as a negative example of social media. Through the videos which talk about the media problems, people can see comments that all criticised the application Pinduoduo. When people purchase some items through this app, it will secretly show information about the consumers, such as address, real name, and phone number. Even some photos will be stolen and put on the app. Some people may bother and harass the consumers by the leakage of personal information, which will cause panic in the public.

6.2. Big Data-enabled Price Discrimination against Existing Customers

Big data-enabled price discrimination refers to the phenomenon that old consumers notice that the price is significantly higher than that of new customers for the same goods or services.

Associate Professor Sun Jinyun of Fudan University and his team conducted an online car booking survey during the Spring Festival in 2021. The findings revealed that for the same order placed at the same time, a more expensive model is more likely to be chosen depending on the cost of the consumer's mobile phone [13]. This illustrates that when people do shopping, there will be price discrimination. However, this situation is not the only case. Instead, it is really common in online shopping. According to Zou Kiliang[14], big data "killing" occurs when operators, based on the collection, retrieval, analysis, and mining of consumer consumption preference data, take advantage of loyal customers' path dependence and information asymmetry to charge them more for the same commodity or service than new consumers, and the price difference does not reflect the cost difference [14].

Therefore, big data, when viewed narrowly, refers to the Internet platform used to gather and track consumer basic information and consumption data, as well as to carefully classify and forecast consumer behaviour based on differential pricing for loyal customers in order to maximise profits.

7. Conclusion

In the digital era, people always shop online. The research analyses the guiding function made by the new media in different aspects such as KOL, UGC, and mechanism. Also, such problems are mainly the leakage of information and price discrimination. The research should do some research and

surveys to discover the real phenomenon and the real thoughts about the guiding function of the consumers. In the future, more companies and platforms can use ways that can better lead individuals to consumption, such as inviting some influential KOLs and making more creative connotations. Also, platforms such as TikTok and shopping websites should strengthen the system of protecting personnel information.

References

- [1] Liu, F., et al. (2020). *The Influence of Internet Celebrities' Live Streaming on Consumers' Purchase Intention and Its Mechanism*. *Management Review*, 17(1), 94.
- [2] Huang, M., Ye, Y., & Wang, W. (2023). *The Impact of Different Types of Live Streaming Hosts on Consumers' Purchase Intention and Behavior in Different Product Categories*. *Nankai Business Review*, 26(2).
- [3] Li, X. (2021). *Reasons for the Change in Consumer Concepts among Young People and Their Impact*. *People's Forum*, (4), 24-26.
- [4] Ma, Y. (2017). *The Impact of Information Channels on Online Shopping Behavior of College Students in Small and Medium-sized Cities*. *National Circulation Economy*, (15), 4-6. doi:10.16834/j.cnki.issn1009-5292.2017.15.002.
- [5] Zou, Y., & Peng, F. (2019). *Key Opinion Leaders' Influences in the Chinese Fashion Market*. In *International Conference on Fashion Communication: Between Tradition and Future Digital Developments* (pp. 118-132). Springer International Publishing.
- [6] Liu, Y., Gu, Z., Ko, T. H., & Liu, J. (2020). *Identifying Key Opinion Leaders in Social Media via Modality-Consistent Harmonized Discriminant Embedding*. *IEEE Transactions on Cybernetics*, 50(2), 717-728. doi:10.1109/TCYB.2018.2871765.
- [7] Bahtar, A. Z., & Muda, M. M. (2016). *The Impact of User-Generated Content (UGC) on Product Reviews towards Online Purchasing – A Conceptual Framework*. *Procedia Economics and Finance*.
- [8] Goh, K. Y., Heng, C. S., & Lin, Z. (2013). *Social Media Brand Community and Consumer Behavior: Quantifying the Relative Impact of User- and Marketer-Generated Content*. *Information Systems Research*, 24(1), 88-107.
- [9] Zhai, L. (2011). *Research on the Impact of Online Store Reviews on Consumers' Purchase Intention*. *Northeast University of Finance and Economics*.
- [10] Chen, D. (2022). *Research on Brand Differentiation Marketing Strategies of D Company's Skincare Products in a Homogeneous Market*. Nanchang University. (Master's thesis).
- [11] Hu, H., & Chen, Y. (2022). *Analysis of the Advantages and Risks of E-commerce Live Streaming—Taking Li Jiaqi's Live Streaming as an Example*. *Marketing of Time-Honored Brands*, 22, 24-26.
- [12] Niu, J., & Zhao, Y. (2020). *Information Sharing and Privacy Protection in the Digital Media Era*. China Publishing, (12), 9-13.
- [13] Ji, R., Yan, G., & Liu, Y. (2022). *Big Data "Price Discrimination" Phenomenon and Countermeasures: Based on the Perspective of Price Discrimination*. *Management and Administration*, (11), 33-38. doi:10.16517/j.cnki.cn12-1034/f.2022.11.022.
- [14] Zou, K., & Liu, J. (2018). *Legal Regulation Dilemmas and Solutions of Big Data "Price Discrimination"—Only from the Perspective of the Consumer Rights and Interests Protection Law*. *Price Theory and Practice*, (08), 47-50. doi:10.19851/j.cnki.cn11-1010/f.2018.08.012.