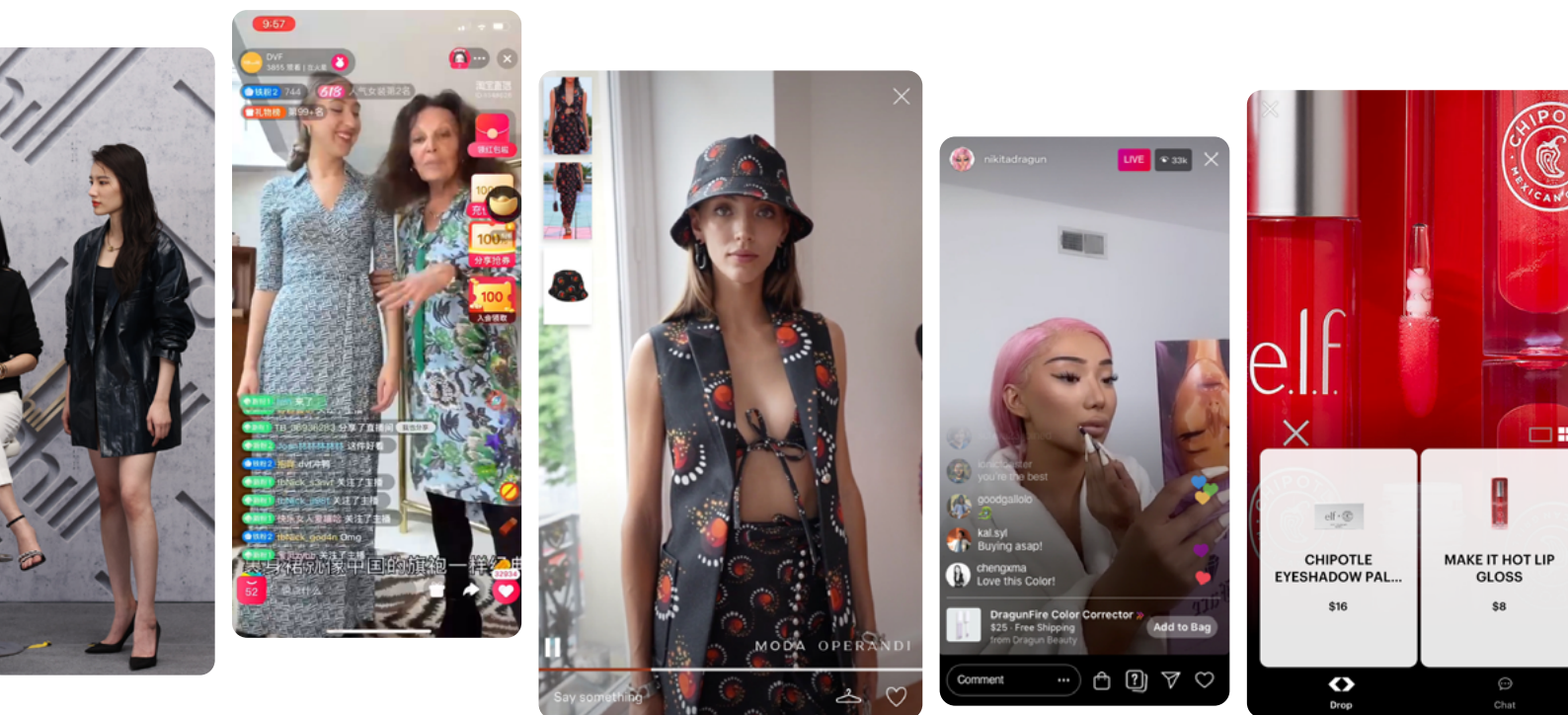


## Case Study

# Livestreaming: How Brands Can Make It Work

By Zoe Suen

Fashion and beauty companies are betting on livestreaming to engage their communities and generate sales revenue, but the channel remains elusive to many. BoF assesses the prospects and pitfalls of the global livestreaming opportunity to determine how brands can capitalise on this rapidly evolving medium.



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# Executive Summary

Fashion and beauty companies are increasingly reliant on digital innovations from Asia. Super-apps like WeChat became indispensable in the region before proving their worth in the running of a global business; more recently, short video app TikTok took the world by storm, inspiring many copycats in the process. But few of these online exports have intrigued – and puzzled – brands quite like livestreaming.

Defined for the purpose of this case study as the marketing and sales of products to online viewers through real-time video streams, livestreaming took off five years ago in China. Today, most social media platforms in the country have fully integrated livestreaming functionality and, according to Forrester, China's livestreaming industry will be worth \$239 billion this year, growing at a compound annual growth rate of 27 percent through to 2025. However, the medium's commercial opportunities are no longer limited to China, as nascent livestreaming ecosystems have emerged in other markets, making it accessible to global consumers.

At its best, livestreaming is an entertaining and interactive antidote to the sometimes static, crowded marketplaces of traditional e-commerce: It can create a dialogue between brands and buyers looking to discover new items, aid with decision-making and amplify convenience through seamless check-out integration, all while providing brands with valuable real-time feedback and data. But critics contend that best-case scenarios represent only a small proportion of brands' current livestreaming activities, suggesting that it is either an overhyped, short-lived trend or a high-risk strategy yielding a questionable return on investment.

The verdict is still out on its global staying power, with most other markets yet to see livestreaming mesh with commerce to offer brands a significant revenue

generating tool to the extent it has in China. The US livestreaming industry is expected to reach \$11 billion this year according to Coresight Research – a remarkable figure considering how new the medium is there, but one that is a fraction the value of the industry in China.

Indeed, it has taken years for livestreaming to ripple westward, albeit with different characteristics and more limited use cases. Slower adoption in the West can be attributed to a combination of factors, including differences in retail psychology, consumer behaviour and platform use. Though many apps and retailers have adopted the medium in the wake of the Covid-19 pandemic, which sent online sales surging and underscored the importance of digital engagement, players have different views on the potential for livestreaming to become a mainstream business tool for fashion and beauty in the US and Europe in the long term.

Nonetheless, a diverse range of international companies – from luxury houses and beauty brands to those selling sports cars and toys – have already tapped livestreaming with varying degrees of success. Few have developed a fully-fledged playbook, but many of their ad hoc activations offer valuable learnings for brands trying to determine when and how to invest in the channel.

This case study will examine the many factors that fashion and beauty brands should consider before creating, refining or revamping a livestream strategy, beginning with fundamental tactics such as choosing the right platform, timing broadcasts and building an in-house team. It will then explain how players can choose the best products for their broadcasts, as well as what to consider when enlisting a host and designing formats that keep audiences coming back to interact and shop.

In a landscape full of content creators vying for screen time, it can be challenging for brands to add enough value or create the right kind of pull factor to coax viewers to a stream and compel them to engage in a meaningful way. Doing so while avoiding the many pitfalls that livestreaming inherently presents can be even harder. This case study aims to provide a guide to this relatively new and rapidly evolving medium, highlighting both best practices and cautionary tales from brands, platforms and agencies, allowing businesses to craft detailed livestreaming roadmaps in line with their goals.

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## Market Context

# Can Livestreaming Go Global?



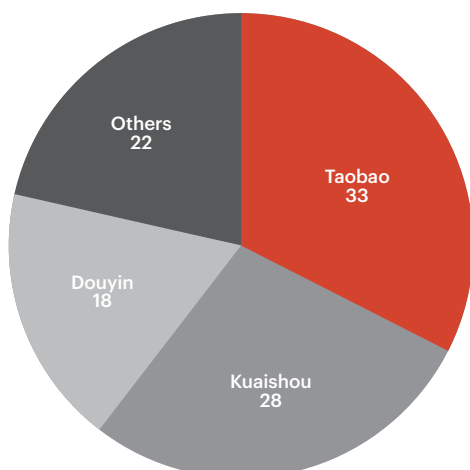
Livestreaming hosts like Viya have thrived amid ongoing digitisation and a social media boom in China. Getty Images.

### Exhibit 1: Platforms Vying for Supremacy

In 2020, Douyin, Kuaishou and Taobao made up nearly 80 percent of all livestreaming gross merchandise value (GMV) in China.

#### Market share of China livestreaming e-commerce GMV by platform (2020)

Percent



Source: Bain & Company and Kantar China Shopper Report 2021  
Note: Percentages do not add up to 100 due to rounding.

## Asia

China's livestream journey began in chat rooms. According to Jinglan Lin and Zhicong Lu, authors of "The Rise and Proliferation of Livestreaming in China: Insights and Lessons," the medium took off around 2005 after netizens repurposed a live video broadcasting function on social media app YY.

Having spotted the potential for livestreams to boost engagement and build online communities (and having noted the success of television home shopping networks which had made their way to China from the West), Chinese tech giants acted. Alibaba's Taobao was the first mover when it came to livestream e-commerce integration, and rival JD.com – who together with Taobao accounts for the lion's share of e-commerce sales in China's fashion and beauty markets – began streaming in the mid-2010s.

Due to the speed at which the China market was digitised, consumers tend to be remarkably receptive to new technologies. This explains in part

the rapid uptake of livestreaming in the country. For Chinese retailers, livestreaming's appeal was apparent. Not only did it serve as a solution to myriad issues, like expanding vendors' reach into more rural areas, livestreaming emerged at a time when there was sufficient progress in hardware and software development and the roll-out of 4G (and eventually 5G) networks that made the medium widely accessible on mobile devices.

Chinese influencers, referred to locally as key opinion leaders (KOLs), thrived amid ongoing digitisation and a social media boom. All the while, tech firms pushed livestreaming to shoppers and creators; top livestreaming host Viya, who rose to fame after taking part in an Alibaba training course, reportedly sold \$31 billion in goods (which span fashion, beauty, cars and even rockets) through her livestream channel in 2020.

The rise of China as the luxury industry's most important global market led major players, from Louis Vuitton to Dior, to experiment with the medium, legitimising livestreams for fashion and beauty brands in the country and drawing attention from around the world. Meanwhile, tech upstarts used livestreaming to challenge incumbents as they all clamoured for a bigger slice of the market, which is currently dominated by Alibaba's Taobao, Douyin and Kuaishou.

In 2020, livestream e-commerce made up around 10 percent of China's overall e-commerce market, according to HSBC Qianhai Securities; it is estimated that this share will double to 20 percent by 2022.

Another reason the medium found popularity is its ability to offer value for money. Experts say livestreaming costs in China are more affordable than conventional advertising, thanks to lower commissions paid to platforms and the format's targeted, shoppable nature. According to Rui Ma, host and founder of the Tech Buzz China podcast and partner at venture capital firm Synaptic Ventures, most platforms, like Kuaishou and Taobao Live, charge between 2 and 5 percent in sales commissions — lower than rates for regular e-commerce listings, which can go up to 10 percent. "It's the same as paying for ads, except you get to sell," says Ma.

In China, the consumer's desire for a good deal is a major driver in the livestream industry, and is why major KOLs like Li Jiaqi (also known as Austin Li) are so popular as hosts, says Matthew Brennan, tech analyst and co-founder of digital marketing firm China Channel. Aside

from setting a Guinness World Record for trying on 380 lipsticks during a seven-hour stream, Li is famed for offering viewers the best prices on the market (a key selling point expressed as *quan guo zui di jia* in Mandarin), which goes some way toward explaining luxury brands' growing pains with a format often deemed incongruous with high-end storytelling.

Alongside issues like fake engagement, traffic fraud and counterfeit sales, livestreaming's reliance on major (and therefore costly) KOLs has many experts calling it an overhyped bubble. But "that doesn't necessarily mean there's nothing there," says Brennan. Authorities have imposed regulations on platforms featuring minors and have attempted to clamp down on issues like fraudulent data. But the impact of these and other challenges facing brands, Ma predicts, will be largely negligible in the short term and positive in the long run.

Following its meteoric rise in China, livestreaming has since spilled over into other Asian markets where it has gained popularity.

Take South Korea where, according to *The Korea Herald*, department store Hyundai's Home Shopping channel saw sales surge nearly fivefold in 2020 to reach 28.5 billion won (\$24.8 million), with 25 million viewers. Meanwhile, e-commerce giant Coupang in June refurbished an entire floor of its Seoul headquarters to make way for livestream e-commerce studios, priming it to take on archrival Naver in the livestream arena.

Southeast and South Asian countries have jumped on the bandwagon, too. Between January and December 2020, Singapore-based e-commerce platform Shopee noted an average 3.5 times increase in monthly orders of women's fashion made through livestreams across Southeast Asia and Taiwan. In July 2021, YouTube acquired Indian start-up Simsim, a social e-commerce app with livestream functionality, in what sources told *TechCrunch* was a deal worth over \$70 million.

But the format has not been met with the same enthusiasm everywhere. Last year in Japan, Yahoo Japan's e-commerce business announced plans to shut down its livestream e-commerce function (a spokesperson cited low usage in a *Nikkei Asia* story), and online resale marketplace Mercari shuttered its live feature in 2020.

## The Rest of the World

For many in the West, home shopping on television is the closest analogue to

*“There’s no reason to say that just because we don’t have Alibaba, we won’t have [livestream] e-commerce... it’s just a different starting point.”*

— Sophie Abrahamsson, Bambuser

livestream e-commerce. To be sure, China has a sizeable home shopping industry of its own, one which was already worth \$9.3 billion in 2012, according to *China Business Review*. But the advent of social media, dominance of mobile phones and intense interactivity of livestreams gave it an edge over its predecessor.

The Home Shopping Network and QVC set the ball rolling for the US in the 1980s; a deal with Sky brought QVC to the UK in 1993; Australia and New Zealand’s Television Shopping Network was established in 1995; and Germany’s Channel 21 was launched as RTL Shop in 2001.

Home shopping had its fashion moments: QVC famously helped designer Diane von Furstenberg return to fashion after a hiatus by offering her a platform to sell silk clothing on air in the 1990s. But the medium has largely lost relevance among younger shoppers and brands. Moreover, “to produce [a home shopping] show is really costly,” says Davy Huang, business development director at China cross-border e-commerce firm Azoya, adding that TV-run programmes are less accessible and harder to interact with.

Digitally native businesses like Amazon have attempted to update the format to boost discovery. Though Amazon Live, which was relaunched in 2019 and is available in the US, has drawn brands like Covergirl and Neutrogena to the platform, it has yet to emerge as a dominant player despite Amazon’s over 40 percent share of e-commerce sales in that market (the company declined to share figures for Amazon Live).

“Are [Amazon] making progress? Yes. Are they gaining significant traction? No,” says Mark Yuan, co-founder and chief executive of livestream e-commerce consultancy And Luxe.

Though a clear leader has yet to emerge in the livestreaming space in Western markets, it’s not for want of trying. In August, TikTok announced a partnership with Shopify that would facilitate in-app shopping; Amazon-owned Twitch began selling to users during streams after integrating a check-out system in 2020; Instagram’s US users can shop in-app through livestreams, but as the feature is tied to their checkout function, users in Europe and other markets must leave the app to complete their transactions.

Executives at leading start-ups are betting that they can adapt livestreaming to make it an integral part of the retail landscape beyond China, though the user experience will differ along with other elements, including how influencers engage with viewers.

“There’s no reason to say that just because we don’t have Alibaba, we won’t have [livestream] e-commerce,” says Sophie Abrahamsson, chief commercial officer at Bambuser, a B2B player equipping brands with livestream technology that in August entered into a long-term master agreement with French luxury group LVMH. “I don’t see it as an obstacle, it’s just a different starting point.”

Ultimately, however, corporate investment will depend on consumer behaviour and whether Western viewers take to livestreaming with fervour for the long-haul. They need to see it as an attractive medium that adds value in terms of their engagement across marketing and shopping touchpoints.

## The Covid-19 Pandemic

Following initial Covid-19 outbreaks in early 2020, social distancing measures and store closures forced brands across international markets onto livestreams in lieu of physical marketing events. Others leaned on livestream-enabled e-commerce partners in a bid to recover some of the losses that were mounting from brick-and-mortar operations.

Global livestream views soared. According to streaming platform StreamElements and gaming data firm Arsenal.gg, the global livestream industry grew 45 percent between March and April 2020, a 99 percent increase on the previous year.

In China, Alibaba’s dedicated livestreaming platform Taobao Live brought in 500 billion yuan (\$76.3 billion) in GMV for the group’s 2021 fiscal year. Across the wider Asia region, major e-commerce festivals helped popularise the medium, from Shopee’s Live Mega Festival in Southeast Asian markets in June 2020 to Indian e-commerce giant Myntra’s online shopping extravaganzas in July 2021.

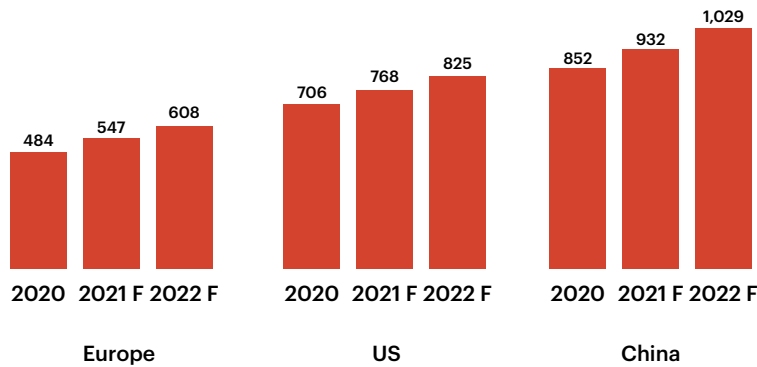
The medium became a lifeline for brands looking to replicate in-person interactivity online. According to services firm Arvato, 21 percent of brands in Europe tried livestreaming for the first time during the first wave of lockdowns. In 2020, tech upstarts, like drops-orientated livestream platform Ntwrk and Swedish B2B firm Bambuser, gained ground and helped the likes of Balmain, Off-White and Luisa Via Roma go live. These firms, alongside platforms like Smartzer and Buywith, are competing with social media apps for a bigger chunk of the growing industry.

Alongside the streaming of their runway shows, Prada and Burberry hosted livestreams featuring industry insiders and influencers to discuss their new

**Exhibit 2: Online Sales on the Rise**

Though e-commerce sales are growing in the US and Europe, China is in the lead.

**E-commerce retail value by geography (2020-2022 F)**  
USD (Billions)



Source: Euromonitor International

Note: E-commerce geography refers to region in which the consumer — not the retailer — is based.



While luxury brands like Burberry continue to innovate digital showcases of their collections, it remains to be seen how the livestreaming of physical shows will evolve in the post-pandemic era. Getty Images.

collections, while Hermès gave viewers a behind-the-scenes preview of looks before models took the stage for its menswear show. Many players experimented with the medium to host community events like workout classes, beauty tutorials, styling sessions and panel discussions. Fenty Skin launched a “house party” on its site, where fans of the brand turned on their webcams to dance alongside rapper ASAP Rocky and Rihanna on a virtual dance floor. Mulberry hosted poetry readings.

Not all attempts were a hit. Most livestreamed digital fashion shows failed to have the same impact as their physical counterparts. The fully digital London Fashion Week in June 2020, which mainly featured smaller brands, saw 55 percent less social media engagement than its in-person season in January, according to Launchmetrics. And though brands like Burberry, Dior and Chanel continue to innovate, digital showcases generally continue to be seen as replacements or accessories to in-person activations rather than upgrades. What remains unclear is how the livestreaming of physical shows will evolve in the post-pandemic era.

But however successful – or not – early experiments have been across various touchpoints, the willingness that brands and consumers felt to engage with livestreaming during lockdowns will be hard to replicate post-pandemic. Indeed, Xiaofeng Wang, senior analyst at research company Forrester, doesn’t see the livestream industries in the US and Europe catching up with China, where livestreams are ubiquitous across platforms and e-commerce accounts for more than 30 percent of all retail (eMarketer pegs it at 50 percent).

One reason the gap is expected to continue is a divergence in consumer behaviour: Many Western consumers still shop on laptops, while Chinese users are more used to making purchases quickly on mobile devices. Moreover, Wang predicts that more time is needed for shoppers outside the digitally savvy Millennial and Gen-Z cohorts to feel comfortable with spending during live broadcasts.

“Livestream e-commerce is just a part of e-commerce; its maturity, scale and reach depend on the maturity of e-commerce itself,” she says, adding that Southeast Asia is a little further ahead than Western markets.

## Market Opportunity

# Why Livestreaming Sells



Communicating with others and being part of a collective experience is one of the keys to livestreaming's success. Bambuser.

### Retail Psychology

What attracts livestream fans to the format? Intimacy and authenticity are the main draws, says Iris Yen, vice president and general manager of direct digital commerce at Nike, which this year expanded livestreaming to the US, UK, Brazil and Japan for its Training Club app. Nike has also tapped the format for product drops, like its collaboration with Alyx's Matthew Williams in May on its Snkrs app.

"What livestreaming has given us is a powerful mechanism to capture the authenticity and spontaneity of a moment, harnessing all of the emotion and community we associate with live sport and culture events, something that we previously thought was only achievable in-person," says Yen.

Socialising with others and being part of a collective experience is also key. China's video streaming platform Bilibili is popular among Gen-Z viewers in part for a feature that highlights these qualities: User-generated bullet comments flow across streams as they air and allow viewers to interact with hosts as well as fellow audience members. Gaming, an increasingly popular social medium, is another option. Ahead of announcing

their first Formula-E race car, Porsche created an interactive live game with Twitch: The race car was hidden in the carmaker's headquarters and users had to work together to solve puzzles to find it and reveal the new release. The challenge took four hours and 1.4 million users got involved, says Adam Harris, global head of Twitch's brand partnerships studio.

Combining shopping with livestreams can produce impressive results for fashion and beauty brands, but players need a keen understanding of retail psychology. "Livestreaming can lead to a much higher conversion rate compared to other types of advertising, because the exclusive deals create a sense of urgency, which leads to impulse buying," says Miro Li, Hong Kong-based founder of Double V Consulting.

In 2018, Alibaba's Taobao said that its conversion rate was a staggering 32 percent, while Germany's LiSa platform has recorded rates of up to 35 percent across segments.

Streaming also shortens the path between discovery and purchase, says Bambuser's Abrahamsson. "You like what you see, and you click and add it to the cart. It's shortening the sequence of clicks you need to make," she says. Bambuser's

overall average add-to-cart rate is 6 percent, but when it comes to fashion and beauty, average rates are 8 and 10 percent respectively.

### Consumer Behaviour

In a best-case scenario, livestreaming is a win-win: Viewers receive immediate answers about everything from fit to colour options, while businesses get real-time product feedback. “It’s much easier to feel confident about a purchase,” says Abrahamsson. “Getting questions answered in that interactive way, rather than doing research on your own, shortens a conversion process that can take 10 to 15 days.”

In a 2021 study on livestreams and impulse buying behaviour, academics Chaohsing Lee and Chienwen Chen noted that perceived enjoyment of the livestream experience — caused by factors like perceived usefulness, expertise, product usefulness and purchase convenience — boosted the urge to buy impulsively.

But the same characteristics that make livestreaming such an effective and engaging format for some consumers pose risks for others. While impulse buying can and often does work in a brand’s favour, viewers run the risk of buying into misinformation, fake goods and poor-quality products. App users are

already so inundated with content and advertisements that they can suffer from consumer fatigue in such a fast-paced and often lengthy format, increasing the risk of poor decision-making.

Long before the advent of livestreaming, the retail industry recognised that encouraging impulse buying comes with risks. Consumers who later regret purchases made hastily may associate negative feelings not just with the product itself but with the retailer and the brand. Since short-term gain for the seller can come at the expense of a buyer trust deficit in the long run, brands need to consider whether the potential trade-off is worth it.

Moreover, failing to provide shoppers with correct or adequate information during a stream can lead to a high volume of returns, says Azoya’s Huang. Top KOLs are catching on to these concerns: *CGTN* reported in 2020 that Li Jiaqi told viewers about his in-house quality control team, which he said had upgraded its product selection process and would only recommend products from flagships on Tmall to guarantee quality and post-sales service.

For these and other reasons, livestreaming has meshed with some products, brands and demographics better than others.

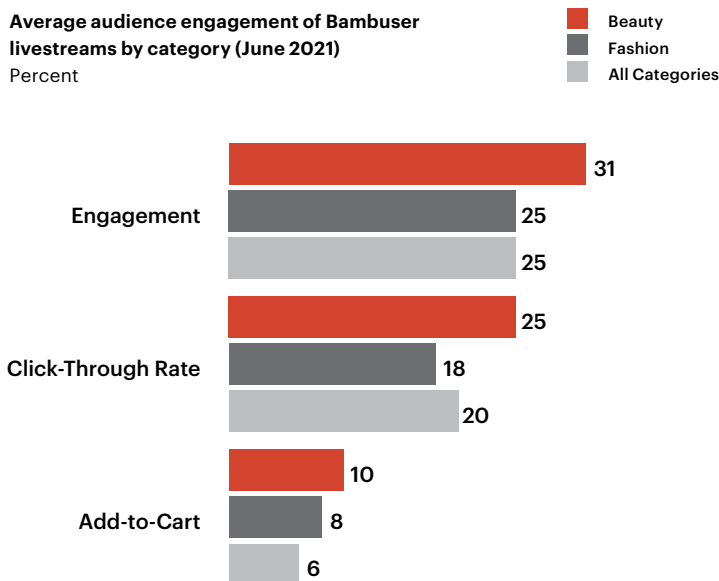
Beauty’s price accessibility makes it more impulse-buy friendly than other categories and it is well-suited to chatty live demos; luxury goods can be tricky as viewers expect higher production values from premium players, which can go against the essence of the format which is a candid and spontaneous form of commercial entertainment. Louis Vuitton’s livestream experiment in China, for example, was criticised by some netizens for looking cheap. “It wasn’t perfect [but] gradually people will do it better, you know, to be more [innovative and] fitting for the image of a luxury brand,” says Angelica Cheung, venture partner at Sequoia Capital China and former editor-in-chief of *Vogue China*.

When it comes to global livestream audiences, younger shoppers are typically more tech savvy — a 2019 study by market intelligence firm GfK found that 73 percent of Millennials used a phone to shop in the six months prior, while the figure for Boomers was 33 percent.

But livestreaming doesn’t only appeal to younger demographics. Singapore-based e-tailer Shopee is seeing its fastest growth in livestream viewership among people aged 34 to 50, says regional managing director Ian Ho. Meanwhile Ntwrk’s audience is mostly 18 to 34 years old, but the average age of purchasers is 28. “It’s

### Exhibit 3: Beauty Livestreams Are Paying Off

Beauty livestreams are performing especially well for clients of B2B livestream player Bambuser when it comes to engagement, click-throughs and add-to-cart rates.



Source: Bambuser

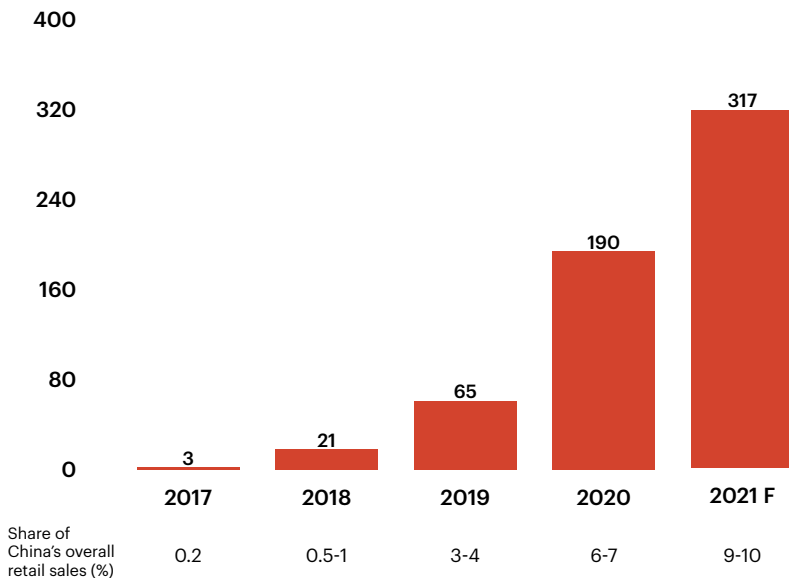


**Exhibit 4: China's Livestream E-Commerce Boom**

Livestream sales in the country have gone from negligible to over \$300 billion in a matter of years.

**China livestreaming e-commerce gross merchandise value (2017-2021 F)**

USD (Billions)



Source: Bain & Company and Kantar China Shopper Report 2021

Note: Overall retail sales includes FMCG, apparel and electronics.

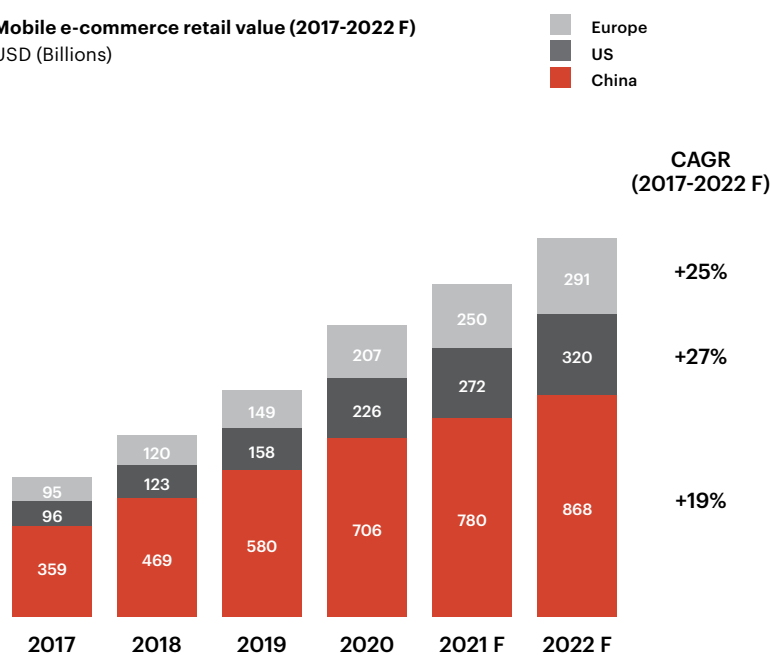
Original data in RMB converted to USD at 2021 constant exchange rates.

**Exhibit 5: Spending on the Small Screen**

E-commerce sales on smartphones continue to grow in Europe, the US and China.

**Mobile e-commerce retail value (2017-2022 F)**

USD (Billions)



Source: Euromonitor International

largely driven by economics,” says the firm’s president Moksha Fitzgibbons. Though Gen-Z brands and influencers like Colourpop and Billie Eilish are active on the app, the exclusive and collectible products it specialises in can be costly for younger shoppers.

With livestreaming at different stages of development across different demographics and geographies, where should brands focus their investment?

**Market Conditions**

Livestreaming tools have been baked into touchpoints throughout China’s digital ecosystem, from groceries to education; Alibaba has integrated it into all its key businesses, says Mei Chen, the group’s head of fashion and luxury for the UK, Spain and Northern Europe. But despite claims that the medium has peaked in the mainland, China’s already huge livestream e-commerce sector is still growing; KPMG and AliResearch forecast its market value to hit \$305 billion by 2021.

In other markets, livestreaming is still in its infancy. But in Southeast Asia, where a rapidly growing population and middle class, rich tech and retail ecosystem and high mobile penetration rates have been likened to China’s in earlier years, retailers like Shopee and Alibaba-owned Lazada are betting big on the industry. During Shopee’s 4.4 Mega Shopping Sale in April 2021, the platform recorded 32 million livestream viewing minutes across markets. “We’ve seen a lot of livestreaming from smaller entrepreneurs and brands [in the region],” says Alibaba’s Chen. “Now, bigger brands are using that tool to communicate with consumers.”

Though experts doubt that the livestreaming industry in the West will grow at the same rate (or reach the same heights) as China’s, the medium still bears potential: The US market is expected to reach \$11 billion this year, according to forecasts by Coresight Research. Meanwhile, a study conducted by Forrester revealed that 70 percent of European respondents expressed interest in livestream e-commerce experiences.

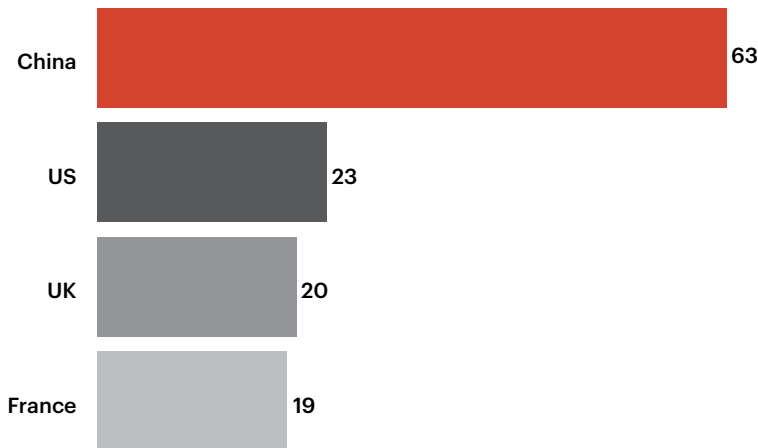
Yet Forrester data suggests that shoppers from the US and UK are less likely to talk about products and complete purchases on the same platform without leaving it – behaviour that is already common in countries like China and India. Slower adoption in European markets and the US is just as much – if not more – about companies than consumers, says Chen. “Tech, corporations and consumers need to be at the same pace. In China, all three things came together way before Europe and the US.”

**Exhibit 6: Social Shoppers in China**

The percentage of Chinese consumers who regularly shop on social media is higher than that of France, the UK and US combined.

**Consumers who buy products on social media at least weekly by geography (2021)**

Percentage of respondents



Source: Forrester Research Inc.

Note: Sample size varies by country between 14,869 and 142,480 respondents.

*“If livestreaming didn’t take off in 2020, it’s going to be very hard [to grow at China’s speed.]”*

— Rui Ma, Tech Buzz China

The tech element in the equation is expected to catch up. Chen predicts that the arrival of 5G will help boost livestreaming in the West; Azoya’s Huang predicts that the evolution and real-world application of VR and internet of things (IoT) technologies will bring about a new era of livestreaming. But while executives at agencies and platforms — particularly those in China — remain optimistic about the prospects of livestream e-commerce in Western markets, brands need to manage their expectations.

For one, China’s retail landscape is more than a century younger than that of the US, says Tech Buzz China’s Ma. This explains why brands are in the habit of finding novel ways of breaking into the China market, as opposed to following legacy retail strategies. According to Ma, the big opportunity for livestreaming to take off was during the pandemic. “If livestreaming didn’t take off in 2020, it’s going to be very hard [to grow at China’s speed.]”

It doesn’t help that the pathways and opportunities available to brands looking to livestream in the West can be far more complex than in China, where online life is anchored to the so-called “walled gardens” of a few pervasive platforms. In the West, brands are compelled to choose from a growing list of social media apps and marketplaces; build white label, own-brand apps for streams, like fast fashion player Zaful did; or plug a software solution into their own websites, by working with B2B firms like Sweden’s Bambuser, Canada’s Livescale and Germany’s LiSa.

It’s now up to platforms to educate users and incentivise content creators, and for leading fashion and beauty brands to legitimise the medium further — though looking to China for inspiration in this regard may not be fruitful. This is largely due to differences in consumer culture. For example, “the gifting [tipping] culture in China is much bigger, so creators are rewarded for when they innovate,” says Arnold Ma, founder and chief executive of China-focused digital agency Qumin. Digital monetary tips often make up the bulk of both top streamers’ incomes and platforms’ revenues (the latter takes a cut): Chinese streaming platform Kuaishou says tipping, rather than advertising, is its biggest revenue stream. But tipping is also a focal point for local regulators, who in 2021 issued guidelines requiring platforms to impose “reasonable” caps on virtual tips.

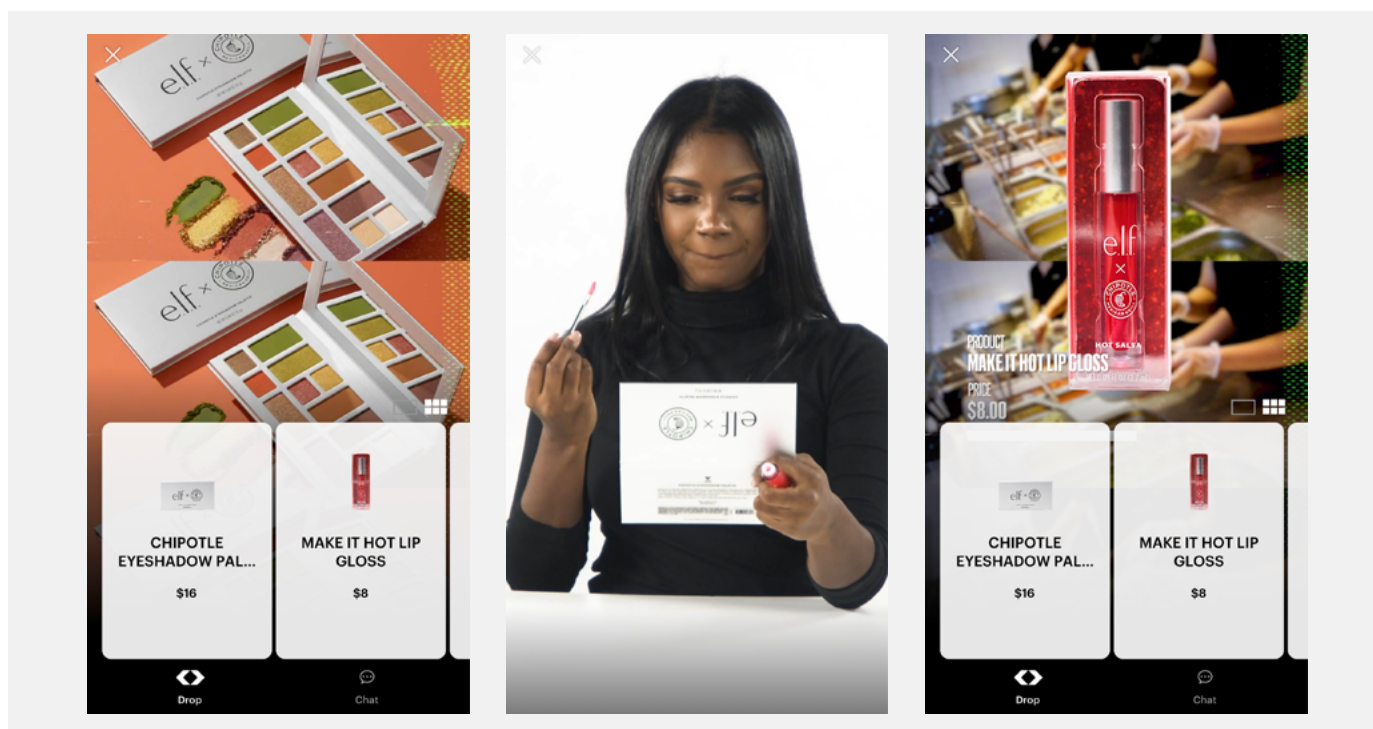
“The Western philosophy is that it’s a free market. If I make the friction as low as possible, people will come,” says Tech Buzz China’s Ma. “In China, it’s a planned economy, so entrepreneurs think like that too.”

## Strategy

# A Brand's Guide to Going Live

## 01 — Choose the Right Stage

Different platforms serve different purposes. Like E.l.f. Cosmetics, brands should experiment before carving out tailor-made livestreaming strategies.



E.l.f. Cosmetics chose a Ntwrk stream for its collaboration with fast food chain Chipotle to tap into its Gen-Z audience. Ntwrk.

While it's hard to find a brand in China that isn't streaming through either Taobao Live, Douyin, Xiaohongshu or WeChat (if not all the above), businesses have more options in markets like Europe and the US, says Forrester's Wang. "A lot of customers still buy products from own-brand websites and apps so they don't necessarily have to work with other platforms." While it remains unclear if a more fragmented livestream ecosystem can have the same impact as China's consolidated networks, brands need to work with what's available.

There are B2B players that equip brands with livestream technology. Aside from allowing brands to go live on their own sites, B2B livestream provider Bambuser can simultaneously cast streams onto social media platforms like YouTube, Facebook and LinkedIn, as well as media outlets. While shoppable functions

are anchored to brands' own sites (and therefore casting to social media is video-only, for the time being), the plug-in model allows brands to own more of their traffic, says Bambuser's Abrahamsson.

"Social media is immediate, it's discovery, it might be quick [and] inspirational, but it's where people jump between things [competing] for their attention," she says. "If you bring them back home to your [own] e-commerce [channels] you'll create a different relationship and get to keep the data."

For brands that are new to the medium, however, testing the waters through social media or an existing retail partner could be beneficial before investing in a more robust programme.

Brands searching for livestream e-commerce partners across global markets are now spoilt for choice,

whether they prefer an e-tailer they already sell through (think Alibaba's Tmall, South Korea's Coupang or Japan's Zozo) or streaming-focused start-ups (like Twitch or Uplive, which is big in markets like Brazil), or social media firms such as Russian Facebook analogue VK.

Livestreaming through an e-commerce partner (as L'Oréal does with Alibaba in China and Shiseido with Shopee in Southeast Asia) streamlines logistics and technical support, while broadcasting on social media can appeal to a wider, untapped audience. The former is especially helpful when major e-commerce festivals (like Singles' Day) come around and marketplaces are further incentivised to drive traffic to brands.

Ultimately, the key to livestreaming is to "go where your followers are," says Forrester's Wang. For a brand launching a cartoon-inspired beauty collection, this might be Twitch, or in China, Bilibili (which boasts an audience of around 80 percent Post-90s generation youngsters and has roots in anime, comics and gaming, known as ACG culture). For

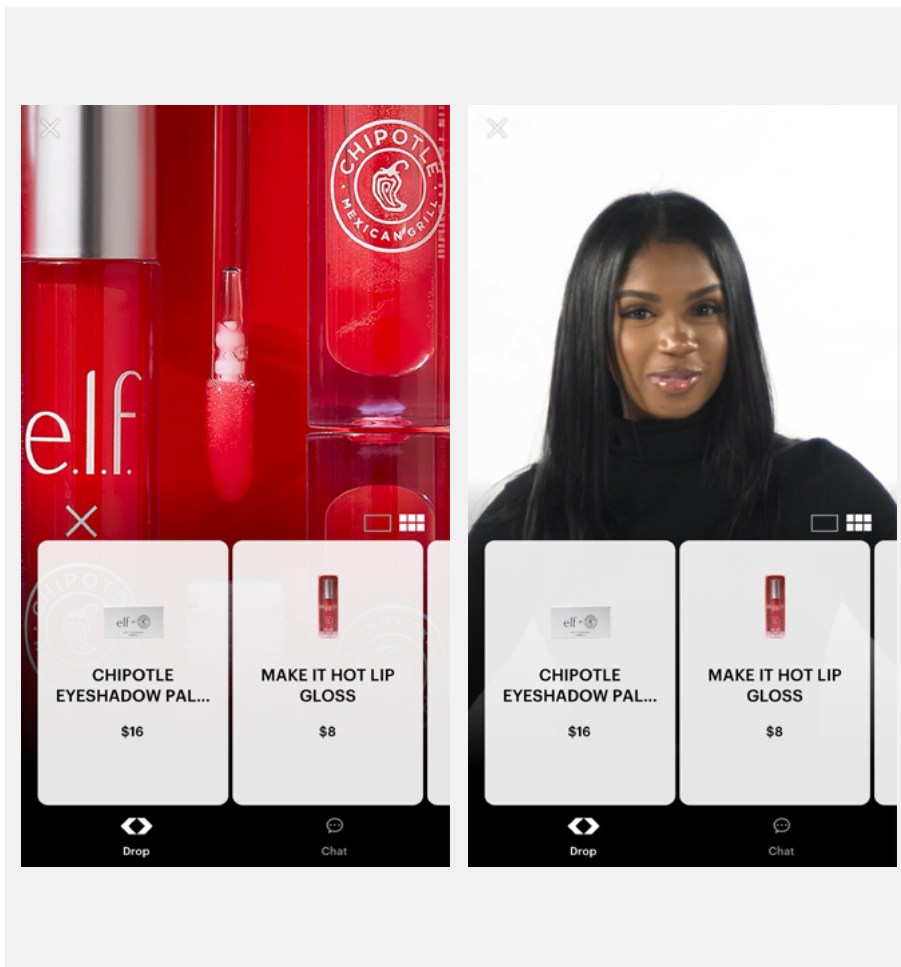
menswear players, Chinese platforms Huya and Kuaishou are popular among sportswear and streetwear lovers, categories that are also prominent on Ntwrk.

But rather than immediately committing to one platform, experimentation is encouraged. "It's OK to test the waters first, try different ways and then find the best practice," says Double V's Li. Take E.l.f. Cosmetics, which in March launched its collaboration with fast food chain Chipotle on livestreaming platform Ntwrk; the collection sold out in under 10 minutes, garnering 10 million total impressions and 200,000 views.

The brand, which has another Ntwrk stream planned, chose the platform to tap into its Gen-Z audience, says chief digital officer Ekta Chopra. "We heard a lot of noise about Ntwrk from our Gen-Z consumer [and] we saw our teams talking about it. It just made a lot of sense for us to try this out," she says. But rather than immediately investing heavily in the platform for the long-term, E.l.f. will funnel its learnings from Ntwrk into its own livestream platform, which is currently in the works.

Once a brand has found the right platforms for its goals, using different livestreaming channels to target different demographics can raise awareness and build loyalty at the same time. But to cast a wider net, brands in China often stream on both traditional e-commerce and social e-commerce platforms (Taobao and Xiaohongshu, for instance). Whether brands take this approach themselves or through a B2B intermediary, the key is to ensure that the content appeals to each platform's audience.

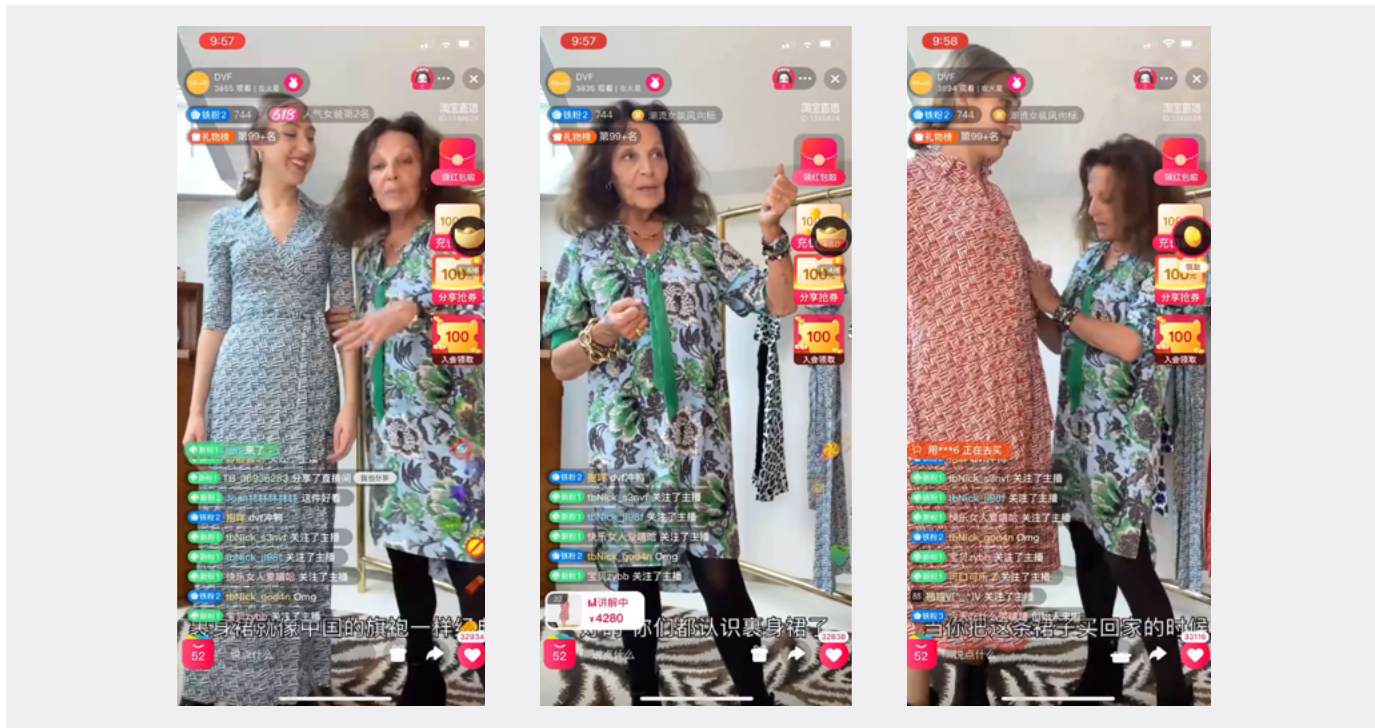
"You don't have to be like the audience, you don't have to pretend [to be] one of them if you're not, they'll see straight through it," says Twitch's Harris. "All you have to do is show you understand them."



E.l.f. intends to funnel its learnings from its Ntwrk streams into its own livestream platform. Ntwrk.

## 02 — Time the Stream Intelligently

Diane von Furstenberg’s approach shows that getting the length and cadence of streams right can make a big impact on reach and engagement.



Longer livestreams, like DVF’s that span four hours, allow the host time to build an audience. DVF.

Timing is everything for livestreams. Brands marketing to a white-collar audience won’t get much traction at 3pm, but the afternoon could be peak hours for those targeting stay-at-home parents.

While global brands can’t align to every single time zone, they should prioritise and localise accordingly. Luxury retailer Moda Operandi, for example, opted for pre-recorded streams in order to feature designers and other interviewees outside the US, including a broadcast introducing Paco Rabanne’s Resort 2022 collection shot in the brand’s Paris showroom, featuring creative director Julien Dossena and Moda Operandi co-founder Lauren Santo Domingo.

Using a stream to soft launch a product can be effective, especially when exclusivity is added to the mix. Ahead of a wider Target release of a range of toy figurines, Target and pop artist Billie Eilish launched 600 signed collectibles on Ntwrk. The stream accumulated 250,000 live views and more than 50 million impressions; the products sold out in 20 seconds. That experience, in turn, directed those who missed out to go to the mass release at Target instead, says Ntwrk’s Fitzgibbons.

Apart from special launches and activations tied to holidays and festivals, setting a weekly or monthly slot helps cultivate a community of loyal viewers. “Consistency is key,” says Diane von Furstenberg (DVF) president and chief executive Gabby Hirata, who used to head the brand’s APAC business and launched its first livestream in China last year. Now, DVF hosts livestreams from its Beijing flagship once a month to showcase new products and styling ideas through Taobao Live, which is linked to its Tmall store.

It takes time to build a returning audience — at least six months, according to Hirata. “Your first livestream will never be that impressive because you have to do it consistently and train your audience to know that [there will be a stream] every Thursday and what to expect,” she says, adding that promoting the stream ahead of time is essential. Now, DVF has around 10,000 regular viewers who tune in monthly (though the number spikes around e-commerce festivals); on average, the stream receives 100 user comments and questions every 30 minutes.

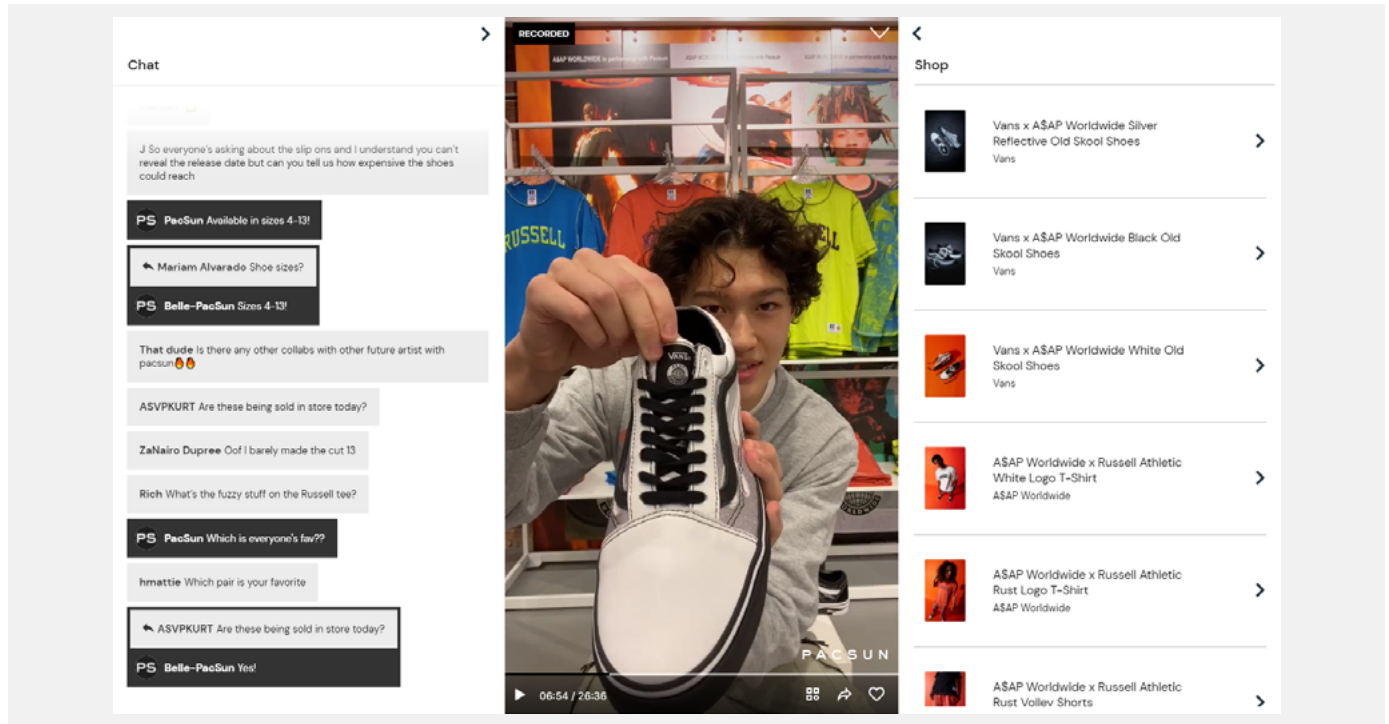
Streaming for longer, especially when it comes to shoppable streams, not only

gives the host time to field questions and build an audience, but also gives users a greater window to share the activation and drop in or out. Longer streams also allow time to introduce different segments, which can break up a stream and keep things interesting. In China, it’s normal for streams to span several hours; on average, DVF’s streams last four hours and usually begin at 8pm, with traffic peaking at 10pm. Hirata considers the first hour of the stream a “warm-up.”

“[Shoppable] livestreams aren’t short-form content and shouldn’t be approached as such,” says Munira Rahemtulla, director at Amazon Live. “You can’t create that trusted relationship with your audience in 30 seconds, or even 20 minutes; for livestreams to be successful, you need time to build credibility, earn trust and foster a connection with your audience.”

### 03 — Build In-House Expertise

Even if brands outsource most of the livestreaming function, they should at least build in-house expertise through a cross-functional taskforce. PacSun's experience is informative.



PacSun assembled an internal taskforce to facilitate its on-site livestreams in collaboration with Vans and ASAP Worldwide. PacSun.

*“A significant amount of [a brand’s marketing budget in China] should go towards building your own livestreaming team.”*

— Mark Yuan, And Luxe

While linking up with third party agencies can warm a brand up to a new medium like livestreaming, brands investing for long-term gain should consider building in-house expertise.

Smaller brands with tighter budgets will inevitably need or prefer to outsource livestreaming; alas, not all companies can afford to take the risk of producing their own content. Working with third-party agencies, like Flux Broadcast and Karma, or directly with an e-tailer’s in-house production team (like at Taobao or Amazon), to stream for major shopping events are ways to experiment with the format.

However, in China, “a significant amount of [a brand’s marketing budget] should go towards building your own livestreaming team,” recommends Yuan of And Luxe.

The way that American retailer PacSun approached the debate over in-house teams vs contractors is informative. Prior to kicking off its on-site livestreams in August with a footwear collaboration between Vans and ASAP Worldwide featuring rapper ASAP Rocky, PacSun assembled a cross-functional taskforce

with people from its e-commerce, marketing, merchandising and customer service teams, as well as in-store staff for field participation.

“[Having an in-house team] is a natural evolution for our brand and engaging with our audience digitally,” says Mimi Ruiz, PacSun’s vice president of digital marketing. The company is already seeing traction with its streams, which it is hosting with Bambuser; an in-store broadcast of TikTok star Jules LeBlanc introducing her favourite pieces from its pre-fall campaign saw chat engagement increase tenfold from its first stream.

Integrating livestreaming into a brand’s existing company structure is not only cost effective, it also facilitates quicker decision making. Moreover, the real-time data brands receive from viewers can be a boon for other parts of the business.

Shopee’s Ho adds that businesses should encourage their teams to look beyond individual streams when setting key performance indicators; take account of metrics like new viewers, average watch time per viewer, increase in shop traffic and product views. “With this fuller view, brands can better engage their loyal followers and translate these into tactics to build longer-term relationships,” he says.

Streams can also be repurposed and edited down into short videos for social media integration. A brand with a podcast, for example, may wish to use extracts from a livestream as a podcast session. “Give the stream a longer life,” urges Bambuser’s Abrahamsson. “[Recorded streams are] still good at

converting content — not as high as live, but way better than any other part of your e-commerce site.”

Integration with social media is also crucial when promoting upcoming livestreams — several apps, like Ntwrk and Instagram, will notify users that sign up to an event when it is about to start. Meanwhile, sorting out inventory is a must prior to major sales and promotion events. All this tends to be easier when livestreaming is done in-house.

But brands don’t need a dedicated studio team to create engaging livestream content; often, the expertise needed for a well-rounded team is already at a brand’s disposal, such as existing social media, merchandising and e-commerce managers. Yuan recommends brands train two to three people themselves or with help from an agency, while Abrahamsson has seen several successful brands appoint an internal advocate to take ownership of livestreaming projects. From there, teams can evaluate their marketing calendars to identify events that should include a livestreamed element.

A brand’s livestream taskforce should overlap with its e-commerce team, store managers and customer service, to coordinate in-store events and reply to comments and questions made during activations. While this doesn’t cost a lot of money, says Yuan, it requires commitment. “It takes a few months to [get the hang of] and another few months to get really good at it.”



A livestream taskforce could include store managers to coordinate in-store events with activations. Getty Images.

## 04 — Develop a Persuasive Format

In a market where there is a lot of content competing for screen time, livestreaming concepts must persuade users to make time for the broadcast. Companies like Perfect Diary can serve as inspiration.



Livestream hosts can maximise entertainment by taking viewers through a product design process or try-ons. Getty Images.

“Building content and community should be the brand’s number one priority,” says And Luxe’s Yuan. “Give people a reason to watch your show. Once they speak to you and you have that engagement, you can sell anything to them.”

But how does a brand get people to stop what they’re doing and tune in to a livestream? While simple formats like a host talking to their phone’s front camera can be engaging, brands should think carefully about what to prioritise.

Discounts are an effective way to woo viewers to livestreams, dispose of old stock and drive traffic to full-price products, but they’re not the only value proposition brands can bring to their channels. “Brands tend to see livestreaming only as a medium to boost orders and highlight product promotions,” says Shopee’s Ho. As a result, livestreaming is often associated with mass-market categories and promotions-driven products. Deals are one of many ways brands can draw people in.

“We know that livestreaming usually leads to impulse buying, which is why we

need to provide some exclusive benefits to customers,” says Double V’s Li. This can take the form of loyalty points, gifts with purchase, free delivery or exclusive access to an offline event. Chinese beauty brand Perfect Diary is a prime example: To promote the launch of an eyeshadow palette ahead of China’s 618 shopping festival in June 2021, the brand streamed every day for eight days (seven took place on Douyin and one on Tmall).

Each stream featured a different celebrity guest; the first paid customer received a Tesla car as a gift, while the next 9,999 shoppers were gifted a lipstick.

Coupled with over 1,000 influencer tie-ups in the form of unboxing videos and teasers across own-brand channels and celebrity accounts, the project was a blockbuster success. According to Double V, celebrities brought in over 450,000 new followers to Perfect Diary’s accounts, 319,000 items were reserved before the products went live, and the brand ranked first among homegrown beauty players during the festival.

Alas, giving away a car and hiring top celebrities doesn’t fit into every brand’s



marketing budget. Giving away the brand's own products and working with micro-influencers, however, might.

It goes without saying that influencers can be a major draw for livestreams and can raise brand awareness among untapped audiences. While getting mentioned on an influencer's streams can be impactful, Yuan recommends a two-pronged approach: "Build your own community and organic growth; at the same time, leverage the power of influencers." Following through by linking influencer traffic back to owned channels extends a campaign's impact beyond a single influencer's post. "When the traffic comes, be ready for it."

Alongside gifts and influencer appearances, brands can also create a sense of excitement and community by providing exclusive access to archives or behind-the-scenes processes, launching exclusive or limited-edition products, and engaging their audience in activities, from beauty tutorials and yoga classes to online games and quizzes.

For its first livestream in 2020, Cartier took over 770,000 viewers inside an exclusive exhibition of jewellery featuring hundreds of extravagant pieces, including a necklace worth almost \$30 million. The broadcast brought in over 100 million yuan (\$15.5 million). DVF's first venture into streaming saw the brand raise money for Covid-19 relief in China by giving more than 20,000 viewers an insider's tour of its New York headquarters and ended the stream inside von Furstenberg's office and private penthouse space.

Plenty of brands have gamified their streams. Take Lexus, which reached over 554,000 unique viewers by working with Twitch streamer Leslie Ann Fu (also known as Fuslie) to have her community design their own car. Nike keeps users engaged on its Snkrs app livestreams with polling and trivia features, while Vietnamese women's footwear brand Erosska boosted its livestream engagement on Shopee by introducing mini-games such as quizzes and streaming more frequently. According to Shopee, the brand's average views increased fivefold as a result.

A longer broadcast can be broken up into several sections, which can take viewers through a product design process, panel discussions and try-ons to maximise entertainment. In March, American YouTube star Nikita Dragun promoted her new beauty line, Dragun Beauty, by going live on Instagram. The influencer showcased the product through a tutorial and discussed its backstory; almost 43,000 viewers tuned in, and more than 5,000 SKUs were added to shopping carts.

Broadcasts can also generate buzz by limiting viewership to a smaller group — think friends and family sales livestreams and new collection previews for brand VIPs. In January 2021, Martine Rose showcased her Spring/Summer collection through a mixed-reality film that took viewers through a virtual apartment block, featuring clips filmed in the homes of friends of the brand amid lockdowns, including a cameo from rapper Drake.

Instead of streaming the film on social media, Rose chose to stream it on a website made for the occasion during several viewing sessions and decided against posting the full film online afterwards. The ephemeral nature of a stream can be part of its appeal to some viewers.

"We wanted to still create the feeling of a [physical] event," she says. If you were there, you were there. Once it happens, it's gone."

## 05 — Spotlight the Perfect Product

Dunhill's strategy shows that choosing the right product for the stream isn't necessarily about bestsellers. Tapping into an overlooked category can also achieve key business objectives.



Dunhill's Lock bag launch broadcast on Tmall's Luxury Pavilion included a walkthrough of the brand's runway show and a discussion featuring several KOLs. Dunhill.

Just because an item is a brand's hero product doesn't automatically make it the right focal point in a livestream. The format provides brands with a rare opportunity to gauge interest and interact with prospective customers, which can help boost items and categories that are less popular or less well-known.

In September 2020, British luxury brand Dunhill hosted a livestream to mark the launch of its flagship store on Tmall's Luxury Pavilion. The brand used the livestream to introduce its new bag model, the Lock. "Dunhill isn't known for bags in China or the West, so [raising awareness] was the main objective," says Alibaba's Chen.

The broadcast took viewers through the brand's most recent runway show, followed by a discussion featuring several KOLs, a styling session and finally a conversation with top blogger Mr Bags. During these discussions, the brand was able to provide context on its history and the craftsmanship that went into production. Dunhill sold out of the Lock bag and the broadcast reached over 120,000 viewers in addition to racking up over 320,000 likes and interactions.

"It's true that they sold a lot of bags, but the initial objective was more to engage with consumers that weren't already in their portfolio and showcase a category they weren't as strong in," says Chen.

The brand launched a black-on-black colourway exclusive to Tmall. A one-of-a-kind product or one with a limited run can be a boon for streams — Ntwrk, for one, focuses on curating highly desirable, exclusive product drops and has already partnered with the likes of Balmain, Off-White, and artist Takashi Murakami. When working with brands on upcoming streams, Fitzgibbons and his teams encourage them to include collaborative and exclusive elements.

Meanwhile, Nike's Air Jordan 4 in collaboration with football club Paris Saint-Germain, which it dropped on its Snkrs app, sold out in under two minutes, around the same amount of time a crossover with musician DJ Khaled accumulated 45,000 registrations.

Generally, electronics, fashion and cosmetics are the top categories that consumers are interested in purchasing via livestreams, according to Forrester. For premium and luxury brands, choosing

an entry-level product can encourage sales and amp up impulse buying, says Wang.

Demo-friendly items, like lipsticks and other pigmented cosmetics, are safe choices as viewers can request swatches and ask if the product smudges or applies well. Similarly, any product with a noticeable "before and after" comparison would be suited to the medium.

It pays to prepare for a wide range of questions and requests: Viewers may want to see clothes on a different sized model, homeware to scale with another object and beauty products on another skin tone. And always keep inventory and supply chains in mind. "If you sell out of a big batch very quickly, you may be in the position of having no product to sell in the near future," says Azoya's Huang.

## 06 — Choose and Train a Compelling Host

While traditional influencers can help drive traffic to a broadcast, looking in-house for a host, like Chinese department store Intime, has major advantages.



Brands are increasingly turning to store staff and designers to host livestreams in physical boutiques and offices. Getty Images.

Hosts are the stars of the show and worth investing in. “The key[s] to successful livestreams are authenticity and building a connection with your audience, so whoever is on camera needs to be approachable and relatable to viewers,” says Amazon Live’s Rahemtulla. The ability to drive conversation and respond to questions is also vital.

The best person for the job, when it comes to raising brand awareness and boosting sales, could be an influencer. When Kim Kardashian West’s brand KKW Beauty entered the mainland China market in 2020, she tapped top livestreamer Viya, whose following totals over 74 million, to co-host an activation on Taobao Live. Even before the stream kicked off, 6,000 bottles of KKW perfume were sold in a pre-sale campaign. According to Azoya, 15,000 bottles were sold in total thanks in part to Viya’s huge following.

But not all brands can afford top influencers and celebrities, and some may want a host who is more relatable. Micro- and nano-influencers can provide a targeted, less costly and more sustainable way for brands to outsource hosting duties; the fact that they work with fewer brands (if at all) can make them

trustworthy ambassadors and counteract livestream fatigue.

It’s important that brands adapt to streamers’ schedules, adds Twitch’s Harris. “Don’t force a streamer to show up on a Saturday if they don’t usually; they organically have an audience at certain times.” And while brands may be tempted to provide hosts with a script to follow, he encourages them to refrain. “It’s not like TV or radio, if you read off a script, you’ll lose the audience. [Hosts] know how to speak to the audience, don’t come in and demand they say certain things.”

Giving streamers too much free rein, however, is high risk. Brands can’t edit out mistakes or faux pas made during broadcasts, so vetting talent is key. Influencers who are prone to exaggeration should be avoided. Even if regulations haven’t caught up with the industry yet, it is not worth the risk of hiring a host who could flout advertising rules or business ethics.

Another serious gamble is engaging a host who could offend viewers and draw backlash, as celebrities and influencers have done in the past with even a fleeting remark. Often, brands look for someone

fresh and charismatic who can adlib to create the sense of urgency that is expected in a stream, but they need to provide guidelines and no-go zones to ensure both parties are on the same page. And Luxe’s Yuan recommends brands avoid having their hosts refer to politics, for example, but these parameters will differ case by case.

“Livestream influencing can be magic, you just have to identify the right partners with a good track record,” said Yuan. “It’s an art, there’s no science to it.”

Doing due diligence with influencers’ sales and engagement data can also help brands avoid falling victim to inflated figures. “China’s massive livestreaming industry has become riddled with fraud, with some influencer agencies routinely hiring click farms to artificially inflate their stars’ sales and viewing figures,” online publication *Sixthtone* reported in May 2021. Fraud can and does occur everywhere, however, so brands need to tread carefully wherever they are active.

When selecting hosts, knowledge of the product offering is crucial. Securing the right expert to appear in the livestream — from make-up artists

and dermatologists to athletes and trainers — can also lend authority and trust to a session. According to a survey by Forrester, 30 percent of European respondents aged 18-34 prefer local product experts as hosts, followed by general influencers and well-known celebrities, at 25 and 14 percent respectively.

But talent is also available even closer to home: Increasingly, brands are also turning to store associates, executives, managers and designers to host livestreams in physical boutiques and offices. This strategy was a boon for some brands and retailers in China during lockdown in early 2020.

Alibaba-owned Intime department store, which operates 65 locations across the country, hosted 200 livestreams a day; over 5,000 sales associates hosted livestreams and floor managers lent a hand with scheduling. The chain managed to offset its losses and reach new shoppers, while strengthening its omnichannel capabilities. According to Alibaba, more than 90 percent of orders placed through the medium were from new customers, who the retailer added to its database for in-store promotions when stores re-opened.

Likewise, local skin care brand Forest Cabin trained over 2,000 salespeople to livestream over lockdown. Though it temporarily closed more than 300 physical stores at the time, revenues increased by 45 percent year-on-year for the period spanning February 1 to 15, 2020, founder Sun Laichun said.

“Some people you’d never imagine are great in front of the camera,” says Bambuser’s Abrahamsson, who is seeing a growing cohort of brands leverage their store staff to target specific demographics through livestreaming, such as Chinese Americans, or Russians in the diaspora living across Europe. “Instead of meeting two customers a day in a store, you can stream to a target audience of a couple hundred thousand.”

While working with influencers and experts can be valuable additions to a brand’s feed, insourcing the hosting duties for the bulk of a brand’s live content can help brands grow their channels in a more sustainable, cost-effective manner. Indeed, brands normally pay 200,000 to 300,000 yuan (around \$30,972-\$46,300) for a 5- to 15-minute spot on Viya’s streams, an agency employee told *Sixthtone*.

Inviting chief executives and other company leaders to take the mic, even for a short segment, brings customers closer to the business and helps create a sense of transparency. In 2020, Chinese sportswear brand Peak’s chief executive Xu Zhihua hosted the company’s first livestream on Tmall and Douyin; the broadcast accumulated 67,000 views and the brand’s gross merchandise volume hit 5 million yuan (around \$771,676) in an hour.

“It doesn’t get any closer than [putting your question to a brand’s founder or chief executive] and it gives customers a real sense of value,” says Qumin’s Ma. “That’s how you build loyalty and get people to feel like they’re valued as customers.”

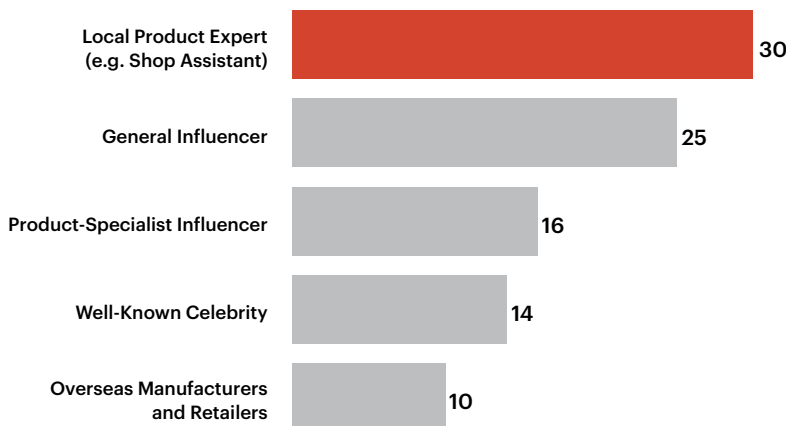
When it comes to training hosts that aren’t livestreamers, it often takes several attempts before they warm up to the format, says Ntwrk’s Fitzgibbons. He encourages hosts to not only show the product being demo’ed but to repeat its selling point two to three times over the course of the stream. “You want to articulate the key value proposition multiple times.”

Amazon Live’s Rahemtulla stresses the importance of choosing an approachable, relatable and authentic host, and encouraging them to show the product in motion. “Helping customers experience the products is a critical element to a successful livestream as it makes shopping fun and gives them the confidence to make informed purchase decisions,” she says.

**Exhibit 7: Expertise Sells**

Younger consumers in Europe prefer watching local product experts when shopping through livestreams.

**Preferred type of livestream host when shopping online**  
Percentage of 18-34 year-old European respondents (Dec 2020)



Source: Forrester Consulting Survey for AliExpress

Note: Respondents include people interested in livestreaming on e-commerce websites/apps on social media. N= 7,982

# Looking Ahead

While experts and executives don't agree on whether livestreaming's meteoric rise in China can be replicated in other markets, data suggests that the industry will continue going from strength to strength over the next few years.

As it does, regulation will need to catch up. What is happening in China — where viewing by minors, tipping limits, traffic fraud, counterfeit products and false advertising are among the issues authorities are keeping a close watch on — is foreshadowing what will likely take place elsewhere. The cleaning up of the industry is of course in brands' interests as it will create a safer environment for both companies and users. "Only on a standardised, orderly and healthy basis can livestreaming develop for longer," says Azoya's Huang.

Moving forward, brands can expect to see more shopping festivals, like YouTube's Beauty Fest, Amazon's Beauty Haul Live and Ntwrk's Transfer Fest, adopt

livestreaming as a sales-boosting tool. According to Amazon Live's Rahemtulla, the e-commerce giant is working on a growing roster of events to bring customers livestream-only discounts from top brands.

Like in China, luxury players may experience growing pains when experimenting with the format in other markets. But those that focus on building their brand's digital presence — rather than pushing product — in an imaginative yet exclusive way will legitimise livestreams for the wider luxury industry. "It's a creative canvas but it's also the future consumer, getting them identified with the brand in new and different ways," says Twitch's Harris, who is already seeing an influx of luxury brands experimenting with the platform.

And as technology advances, livestreaming will become more immersive and effective. Apple has already filed a patent for virtual reality

glasses and is working on a mixed reality model, notes Qumin's Ma, who predicts the wider use of these products will further amplify livestreaming's reach.

The way brands and retailers think about livestreaming has already changed over the past year, says Bambuser's Abrahamsson. Brands went from turning to livestreams as a one-off, celebrity-fuelled tool to replace physical events, to monetising it and using it weekly, if not daily, to produce evergreen tutorials and guides that will continue to enrich their online presence. This is likely to continue as businesses look to make the tool a more sustainable, core addition to their online offering.

Abrahamsson believes that the livestreaming opportunity that has manifested so far is just the tip of the iceberg; she sees livestreaming growing beyond discovery and sales to revolutionise customer service, in-store experiences, personal shopping and every other aspect of retail. "We know that the internet has gone from text to image to video to live," she says.

"We are, in many cases, interacting through video — there's no reason why e-commerce and shopping will not happen this way too. Once you get used to something that elevates an experience, I can't see why we'd turn back."

Only time will tell whether livestreaming goes mainstream as an essential tool for fashion and beauty brands to engage with a substantial segment of their consumer base, or whether it will continue to be an optional add-on. But as platforms and consumers continue moving towards a video-led retail model, brands will need to experiment in the meantime to find out what works for them.

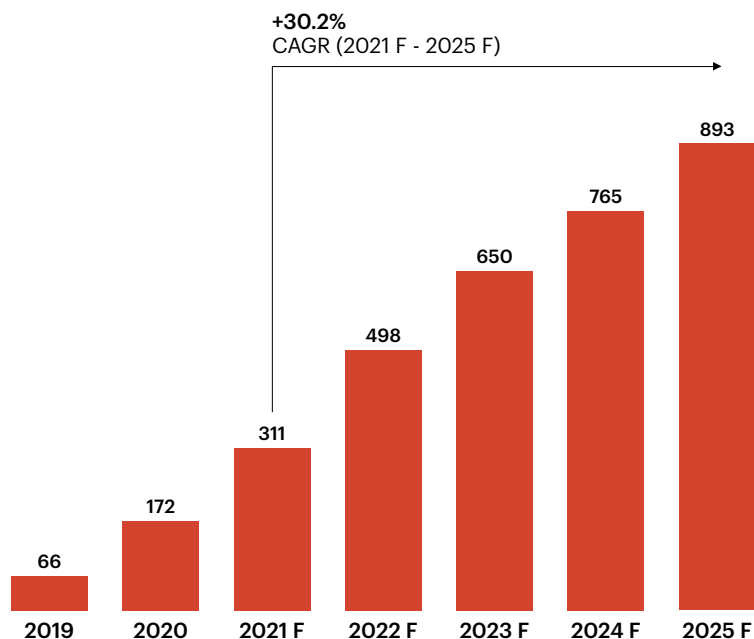
"It's very impactful but I don't think it's going to completely upend the industry," predicts Tech Buzz China's Ma. "People really want a story, a direct connection, and real-time feedback and to co-create. Livestream is just a more open way of communication."

## Exhibit 8: The Rise and Rise of Livestream E-Commerce

While some critics suggest livestreaming has already peaked in popularity, forecasts suggest that global livestream sales will nearly triple in the next four years.

### Global livestreaming e-commerce sales (2019-2025 F)

USD (Billions)



Source: Grand View Research

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# Further Reading

- McKinsey & Company, [How Live Commerce Is Transforming the Shopping Experience](#)
- Sixth Tone, [China's Hottest Livestream Trend: Fraud](#)
- CNBC, [These Two Companies Could Make Inroads in the \\$11 Billion US Livestream Shopping Market](#)
- The Business of Fashion, [Who Is Actually Livestream Shopping?](#)
- Bloomberg, [Livestreams Are the Future of Shopping in America](#)
- Nikkei Asia, [Japan Struggles To Replicate China's 'Live Commerce' Boom](#)
- Jing Daily, [Next-Level Livestreaming: How Luxury Brands Can Profit From China's Top E-Commerce Trend](#)
- The Business of Fashion, [How Impactful Were the Digital Fashion Week Shows, Really?](#)
- The Business of Fashion, [Caught in the Crosshairs of China's Livestreaming Crackdown](#)
- The Business of Fashion, [Luxury's Livestreaming Gamble](#)
- Alizila, [How Chinese Department-Store Chain Intime Survived Covid-19, Online and Offline](#)
- The Business of Fashion, [Live Stream Apps Are Changing the Way People Shop](#)

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