

# Study on the Influence of Live Broadcast with Goods on Enterprise Operation and Product Price

## —Take Anta for example

Dawei Zhu

School of Landscape Architecture and Art, Fujian Agriculture and Forestry University, Fuzhou, 350002, China

zhudawei576@gmail.com

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### ABSTRACT

At present, China's economic growth situation from the high speed stage to the high quality stage, emerging industries emerge in an endless stream. With the rapid development of the Internet, live streaming, as an emerging e-commerce consumption mode, has risen rapidly in recent years and has attracted wide attention from all walks of life. The paper first uses the PEST model to analyze the overall environment of the live delivery industry. Secondly, the paper selects the practice of Anta Group implementing live goods as a case, and deeply discusses how to effectively carry out live goods activities, so as to positively promote the improvement of the enterprise's operation efficiency. Finally, it is concluded that the potential of live streaming is huge and will have a positive impact on the operation and price, but there are also some potential risks.

### KEYWORDS

Live broadcast with goods; PEST model; Business operation; Product price; Anta

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## 1. INTRODUCTION

Live broadcast with goods refers to the activities in which anchors recommend goods to audiences and promote purchase behaviors in the process of live broadcast. As an emerging consumption mode, live streaming with goods combines live streaming entertainment and e-commerce. In this mode, anchors show and recommend the products in the live broadcast room, and viewers can watch them in real time and purchase these goods through the live broadcast platform. Because of its strong interactivity and stronger convenience compared with offline shopping, especially in 2020, the new coronavirus epidemic will shut down the traditional consumer industry. Due to the convenience of live broadcasting with goods, it has ushered in an explosive growth. In this big environment, more and more traditional consumer enterprises are transforming to the direction of live broadcasting with goods. But this emerging sales environment is facing unprecedented challenges and opportunities. Behind this phenomenon, many factors are involved, including but not limited to the change of the market environment, the change of consumer behavior, the strategy adjustment of competitors and so on. Therefore, this paper aims to demonstrate that live delivery can play a positive role in improving the enterprise operation through the PEST model.

## **2. LITERATURE REVIEW**

Gan Jiali and Xu Jianwei mainly aimed at the development status of live broadcasting with goods, analyzed the consumers who conduct TikTok live broadcasting shopping under the new economic model, and discussed the influencing factors of product quality, complaint channels and the insufficient loyalty of anchors to the current consumers [1]. Put forward strategies to enhance customer loyalty, such as strengthening quality control, improving complaint channels and improving processing efficiency.

Wu Yimeng analyzed the advantages and exposure problems of live streaming goods, and concluded that live streaming goods have the characteristics of low marketing cost, economic drive and strong interaction, but also exposed the serious homogenization of content, product quality and product price cannot be completely transparent and guaranteed, data fraud and low payment trust [2].

Network streaming not only brings impact on traditional industries, but also gives birth to the new profession of network talent. Liu Fengjun, Meng Lu, Chen Siyun and others pointed out that web celebrity should not only pay attention to and master the relevant knowledge and skills of the product, but also increase the emotional connection of the audience with the audience [3].

With the continuous prosperity of the global e-commerce market and the change of consumer behavior, the emerging consumption pattern of live streaming with goods has not only been widely concerned and applied in China, but also gradually emerged in the world. In China's electricity live with goods, domestic scholars research mainly limited to the consumers and live with goods itself characteristics and exposed problems, how to use the enterprise live for sales and brand awareness construction and promotion, live with goods to the enterprise cost control and profit promotion research is not comprehensive. Therefore, this paper mainly focuses on the impact of live broadcast with goods on enterprise operation and product prices.

## **3. ENVIRONMENTAL ANALYSIS — IS BASED ON THE PEST ANALYSIS MODEL**

### **3.1. Political Environment Analysis**

Since 2016, China has issued a number of policies and measures to improve the professional ethics of network anchors, standardize their professional behavior, strengthen the sense of social responsibility and build a positive image. It reveals the positive attitude of the government to encourage the use of network broadcast and short video promotion. These continuous policy measures not only highlight the government's strong willingness to support the live streaming industry, but also systematically improve the industry norms, aiming to promote fair competition in the market and the protection of consumers' rights and interests.

### **3.2. Economic Environment Analysis**

With the development of e-commerce system in China, the mode of "live broadcasting + e-commerce" has become a new outlet. In 2021, the number of e-commerce users in China will reach 842 million, and the total size of the e-commerce industry will reach 1.2 trillion yuan, and this data grows more rapidly with the end of the epidemic. The capital market also holds a positive attitude towards the field of e-commerce live broadcasting. Take TikTok as an example, among the newly registered TikTok talent in 2023, the enterprise certification number reached 22%, which indicates that TikTok and other live streaming platforms can not only become an important position for brand and business marketing, but also shows that the live broadcast with goods mode can become an important means of commercial realization.

### 3.3. Social and Environmental Analysis

With the popularity of social media and the Internet, how people socialize and entertain has changed dramatically. As an emerging social e-commerce model, live streaming with goods meets the needs of modern people for interaction, participation and immediacy. Social and cultural trends are gradually inclined to accept and promote this new way of shopping, seeing it as a symbol of fashion and trend. At the same time, livestreaming experts above the waist are more inclined to obtain traffic realization through live streaming, transform their influence into commercial value, and also provide consumers with more shopping choices and references.

### 3.4. Technical Environment Analysis

The rapid development of mobile Internet technology has provided a strong technical support for live delivery. High-speed network connection ensures the smooth progress of live broadcast, rich interactive functions, so that anchors can have real-time interaction with the audience. And the improvement of logistics technology, but also to ensure the storage safety of goods. However, with the growth of the live-streaming industry, the problem of information security is becoming increasingly prominent.

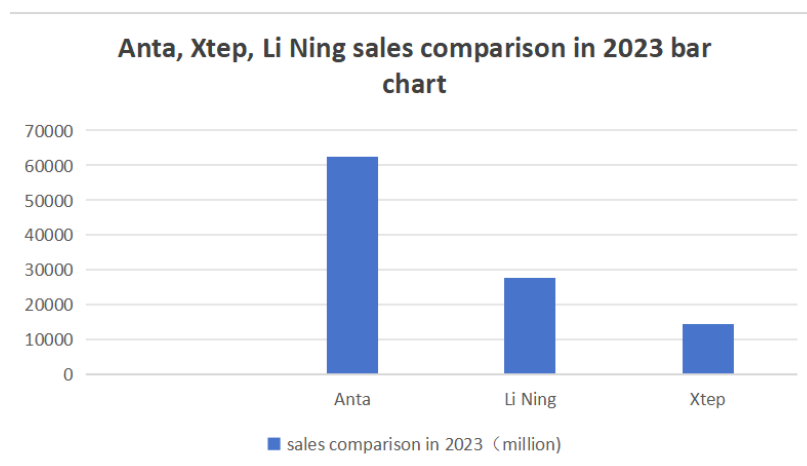
## 4. CASE ANALYSIS

### 4.1. Overview of Anta Company

Anta Sports Goods Co., LTD. (referred to as "Anta") is a comprehensive sports goods enterprise integrating design, research and development and manufacturing, covering a wide range of sports shoes, clothing and all kinds of sports accessories. As a leader in China's sporting goods industry, Anta enjoys high praise on the domestic and international stage with its excellent product quality and deep market penetration.

According to public information, Anta officially announced its first official broadcast room on Weibo on October 17, 2021. Marked the Anta began to formally set foot in the field of live streaming with goods.

Figure 1 shows the bar chart of Anta, Xtep and Li Ning in terms of sales in 2023. According to Figure 2, it can be concluded that although Li Ning and Xtep are the second and third sports brands in China, there is still a big gap with Anta in terms of sales. This not only shows that anta's strong sales ability and market share. It also further shows that the company has strong profitability.



**Figure 1.** Anta, Xtep, Li Ning sales comparison in 2023 bar chart

Source: Anta, Li Ning, Xtep 2023 annual financial report, compiled by the author.

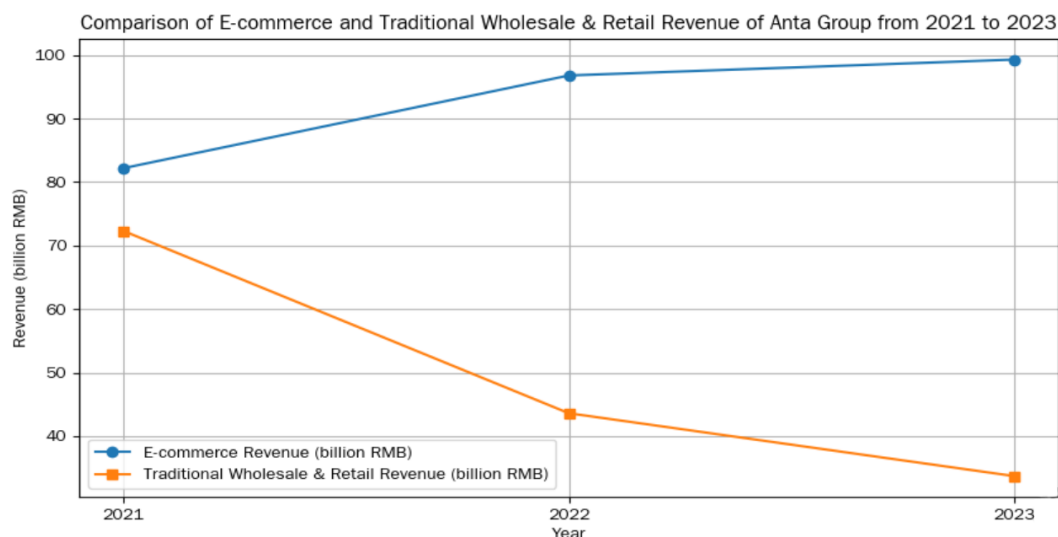
## 4.2. The Impact of Live Broadcast and Delivery of Goods on Enterprise Operation

### 4.2.1. The improvement of sales volume and brand exposure

Anta has significantly improved its product sales and brand exposure through livestreaming and delivery of its products. On May 30, 2024, TikTok short video expert was invited to live in Anta headquarters in Quanzhou, Fujian province. On the same day, it topped the list of life goods and the total list, and the forecast sales was as high as 50 million yuan. It can be seen that the high interactivity of live broadcast with goods not only directly promotes product sales, but also greatly increases the brand exposure of Anta.

### 4.2.2. Marketing cost optimization

As an emerging marketing method, live broadcast with goods has the advantages of lower cost and more direct effect than traditional advertising. Through live streaming, Anta can quickly reach a large number of target consumers at a lower cost and improve its marketing efficiency. Figure 2 shows the comparison chart comparing Anta Group's e-commerce and traditional wholesale and retail revenue (hereinafter referred to as "traditional revenue") from 2021 to 2023. According to figure 2, Anta's e-commerce revenue is gradually increasing, while the traditional revenue is gradually decreasing. It shows that Anta not only attaches great importance to the e-commerce sector, but also increases its investment in the field of e-commerce marketing. As an important part of e-commerce marketing, live streaming with goods also has a huge development space in the future.



**Figure 2.** Line chart of Anta Group's e-commerce and traditional wholesale and retail revenue from 2021 to 2023

Source: Anta Group 2021, 2022, 2023 annual financial report, compiled by the author.

### 4.2.3. Improvement of supply chain management and inventory optimization

Through the real-time sales data of goods, market demand can be predicted more accurately, so as to optimize supply chain management and inventory management. This helps to reduce inventory backlog and waste and improve operational efficiency.

DTC (Direct to Consumer) model, fully known as the brand business model of direct contact to consumers. Anta is constantly transforming to the DTC model in recent years. By implementing the DTC model, Anta can analyze the purchase volume and consumer popularity of different models of products based on the live delivery data, quickly adjust product production and supply chain management, and directly provide products to consumers, which can improve operational efficiency and reduce management costs.

### **4.3. The Impact of Live Broadcast and Delivery of Goods on Product Prices**

#### **4.3.1. Price promotion and discount**

Live broadcast with goods is often accompanied by a variety of promotional activities, such as limited time discount, full discount, etc. Anta also adopts these promotional techniques to implement live broadcast sales to attract audiences to complete the purchases. This strategy usually leads to the price of the product lower than the market price during the live broadcast, thus stimulating consumers' desire to buy. Successfully attract a large number of consumers, effectively increase sales. However, the long-term reliance on price competition and low-price promotion strategies may pose a potential threat to Anta's brand image. Continuously selling goods at low prices may lead to consumers recognizing the low value of Anta goods, thus weakening the brand trust. Once consumers adapt to buying Anta products at a low price, enterprises will face severe challenges when they try the high-end brand path later.

#### **4.3.2. exposure and brand image**

Anta shows product quality and design through live delivery, and invites well-known people to participate in live delivery activities. In September 2022, Anta cooperated with Kuaishou anchor Super Dan. Zhang Jike, as the brand spokesperson, parachuted into the studio to interact with the anchor, and gave Zhang Jike his autograph table tennis bat and T-shirt. In addition, a number of featured products were launched in the live broadcast, such as Anta C37 sports shoes, which showed the product performance through creative ways such as "violent car rolling elasticity test" to enhance the attractiveness of the product. Therefore, live streaming can show the product performance more intuitively and creatively, and the addition of well-known characters can also better improve the brand image and increase the exposure.

## **5. CONCLUSION**

As a new e-commerce marketing mode in recent years, live streaming has broadened the sales channels. It has had a significant impact on both the business operation and the product prices. Based on Anta company, this paper discusses the impact of live broadcasting on enterprise operation and product price and analyzes it, and draws the following conclusions.

### **5.1. The Development Potential of Live Broadcasting with Goods is Huge**

Since 2016, the government has encouraged the live goods industry through a number of policies. These policies not only provide substantial help, but also strengthen industry norms, creating a good policy environment for live goods goods. Secondly, with the maturity of the e-commerce system and the impact of the epidemic, live streaming has become an important platform for economic recovery, and the market size has grown rapidly. Thirdly, the popularity of social media and the Internet has changed people's entertainment style, and social culture tends to accept and praise this new shopping mode, laying a solid social foundation for its development. Finally, the rapid development of the Internet has provided a strong technical support for live broadcasting with goods. However, with the growth of the industry, the information security problem is becoming increasingly prominent, and it is necessary to continuously strengthen the technical prevention.

### **5.2. Anta Group has Had A Positive Impact on the Enterprise Operation Through Live Broadcasting**

With its high interactivity and immediacy, live streaming has promoted the sales growth of Anta products. Through the cooperation with well-known short video experts to live broadcast the goods, it has successfully attracted a large number of fans, achieved considerable sales performance, and

greatly improved the brand exposure. Secondly, compared with the traditional marketing methods, live broadcasting with goods has achieved a more efficient marketing effect at a lower cost. Finally, Anta quickly adjusts its production plan and procurement strategy through DTC mode, based on the live delivery data, which can reduce inventory overstock and improve operational efficiency.

### **5.3. Anta Group Will Have A Favorable Impact on the Product Price But Also has Potential Risks**

Anta has successfully attracted consumers and increased its sales through the price promotion and discount strategies in the live delivery process, but the long-term price war may affect the brand pricing and price system. At the same time, Anta uses live streaming to intuitively and creatively display the product performance, which better improves the product image, invites well-known people to participate, and effectively improves the brand exposure.

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