

# A New Approach to the Development of Foreign Trade under the Economy of Internet Live Streaming with Goods

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**Abstract:** Under the impact of the epidemic, economic recession and falling demand have hit China's foreign trade, China's traditional foreign trade enterprises have been hit hard, and many traditional industries cannot carry out normal business. However, with the rise of online live streaming and the vigorous development of global e-commerce live streaming economy, some enterprises that have the conditions and ability to realize new business models such as "trade on the cloud" and "transaction on the cloud" have risen rapidly and grown stronger. They combine foreign trade with the Internet to sell and promote commodities through online platforms. However, due to the virtual, unstable and uncertain characteristics of webcast, it is necessary to carry out in-depth analysis to provide more possibilities for the development of enterprises. This paper takes the development of foreign trade under the Internet live streaming economy as the entry point, and analyzes its necessity, models and other aspects.

**Keywords:** Internet, Live Streaming, Foreign Trade, E-commerce.

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## 1. Introduction

With the rapid development of network and digital technology, the digitization process of foreign trade is accelerating, and the new market promotion model of foreign trade live streaming is gradually becoming a main method for foreign trade enterprises to attract customers and expand the market.

Yan Yugang and Gong Chengbo pointed out that with the reduction of epidemic prevention and control levels and the restoration of social order, the popularity of live streaming carnival will gradually fade. However, the double-edged sword effect, "redefinition" function, and sustainable development issues of live streaming carnival are all worth the industry's attention and in-depth consideration. [1] On the basis of exploring the current situation of e-commerce and live streaming sales, Shen Yueying analyzes the advantages and disadvantages of the new marketing method of "e-commerce+live streaming", and further proposes corresponding countermeasures and suggestions based on reality. [2] Yu Juanjuan analyzes the advantages, challenges, and future development direction of the online celebrity live streaming e-commerce model in the context of new media marketing. [3] Sun Aimin proposed that the COVID-19 gave birth to a new format of the foreign trade industry - foreign trade live broadcast with goods. Therefore, in the post epidemic era, with the further promotion of the development strategy of "Internet +foreign trade", foreign trade enterprises have gradually realized transformation and upgrading, and cross-border live broadcast marketing has undoubtedly brought vitality to foreign trade enterprises. [4]

## 2. The Concept and Development Process of Foreign Trade Live Streaming

Foreign trade live streaming refers to a business model that uses internet live streaming platforms to display products, promote sales, and conduct online transactions through real-

time video live streaming. Its development began in 2016 and was initially promoted by mainstream e-commerce platforms in China. With the continuous innovation of technology and the continuous improvement of business models, foreign trade live streaming has rapidly developed in domestic and foreign markets.

### 2.1. Definition of the Concept of Foreign Trade Live Streaming in Internet Economy

Foreign trade live streaming refers to the use of live streaming technology to disseminate product information, corporate image, and other content to potential customers in real-time through the internet, in order to promote trade development. Specifically, foreign trade live streaming can display enterprise products, technologies, services, and other information through real-time video live streaming, online Q&A, and product demonstration forms, communicate and interact with customers, and promote order transactions and sales growth. At the same time, foreign trade live streaming can also help enterprises reduce marketing costs, expand new customer groups, and improve brand awareness and competitiveness.

### 2.2. The Development History of Foreign Trade Live Broadcasting at Home and Abroad

Overseas Foreign Trade Fact Report. Ustream Corporation in the United States first introduced live streaming services online in 2009 and has gained increasing applications in sports and entertainment. With the widespread application of mobile networks and the rise of online video websites such as Twitter and Periscope in the United States, foreign trade online videos have gradually entered the market promotion strategy of American companies.

Report on the Facts of China's Foreign Trade. With the official release of China's first export e-commerce live streaming platform "Taobao Live" (later renamed "Taobao Direct Train"), the development of China's export e-

commerce has entered a new stage. Alibaba's 1688 e-commerce also launched the "Foreign Trade Live Broadcasting" business in 2016. In 2017, China's e-commerce websites such as JD and Tiktok launched live broadcast business of cross-border trade. With the continuous development of emerging market sales models such as short videos and live streaming e-commerce, live streaming has gradually become a major market promotion method in foreign trade.

Both domestically and internationally, the popularity of live streaming is high, and TikTok and Shopee, two well-known platforms, are more mature and widely used live streaming platforms.

TikTok has made great progress in multiple countries such as the United States, the United Kingdom, and Southeast Asia, and has also established itself as a leader in live streaming platforms. Therefore, TikTok's traders have naturally made a lot of money. In November 2021, TikTok began entering the television market and released a new television application on Amazon's Fire TV, which later expanded to Samsung, LG, and Android TV platforms. As of December 23, 2021, TikTok has become the world's most popular and popular website and app in 2021. In August 2022, the number of downloads of TikTok and its overseas versions reached 66 million.

Then there is Shopee, which was the first video website to export to the public, with equally impressive results. Over the years, many raw material suppliers have received generous returns. Shopee can be broadcast live in Malaysia, the Philippines, Taiwan, and other regions. The live streaming license for Taiwanese websites is currently difficult to obtain, but at the same time, it is also the most profitable website. Next are the Philippines and Malaysia.

From 2020 to 2021, numerous well-known social media, e-commerce, and short video platforms joined the cross-border live streaming e-commerce field, further promoting the development and growth of this field and achieving historic breakthroughs.

Overall, compared to China, foreign trade live streaming has developed earlier, but its development is relatively slow compared to China. China's foreign trade live streaming has developed rapidly. With the strong promotion of various online shopping websites, various new sales methods have emerged one after another, making its application and coverage in China increasingly wide.

### **2.3. Analysis of the Current Situation and Trends of Foreign Trade Live Broadcasting**

Among similar products in China, the market is huge and the demand is also growing rapidly. With the improvement of the quality of life of the Chinese people and the opening up of foreign trade, the development prospects of China's foreign trade are becoming increasingly broad. Therefore, the development of cross-border e-commerce is also accelerating, and more and more e-commerce platforms have emerged. Now, the main manifestation of online transactions such as e-commerce platforms is to provide product display, online payment, logistics delivery, etc., greatly facilitating enterprises' foreign trade. In addition to cross-border e-commerce platforms, various methods such as social media and short video platforms can also be used for promotion. Due to the fact that one of the problems faced by the sales of goods is logistics, the logistics distribution industry, including express delivery, aviation, sea transportation, etc., has

gradually become more sound, bringing more reliable and fast services to foreign trade business.

On March 16, 2023, China's foreign trade sparked a "live streaming boom". According to Alibaba International website statistics, in the first week of the New World Trade Fair in March, it attracted 700000 netizens from abroad to watch the on-site Chinese manufacturing enterprises. Looking at the situation throughout the year, the number of foreign trade merchants who have opened the Alibaba International website has increased by 100% compared to the same period last year, and the number of foreign visitors has tripled.

In addition to the dual increase in the number of live streaming merchants and buyers, the new trend of expanding coverage and increasing number of live streaming languages is also worth paying attention to. Currently, there are many languages available for cross-border live broadcasts on Alibaba International's website, including English, German, and Spanish. Due to the unique nature of live streaming, they need to communicate with foreign buyers and answer professional and detailed questions, which places high demands on their foreign language proficiency. In the past, many live streaming hosts were internal employees of the company, or R&D and technical staff, who were familiar with the characteristics of our products. However, it was very difficult to express them in foreign languages. So inviting some professional foreign language anchors and collaborating with them will be the future development direction of Alibaba International Channel. Just like Shandong Ruitu Group, which performed very well in the live broadcast of the New Trade Expo in March this year, they used Arabic in this year's cross-border live broadcast to expand their Middle Eastern customers.

### **3. The Operating Modes, Advantages and Disadvantages of Foreign Trade Live Streaming**

Under the impact of COVID-19, many foreign trade companies have encountered severe challenges in commodities and logistics. Therefore, "live broadcast" has become an important breakthrough for foreign trade companies to achieve their own transformation and self rescue. The scale of the foreign trade live streaming market is constantly expanding. According to data, the number of Chinese online anchors has exceeded 961.6 billion Yuan in 2020, an increase of 41.5% compared to the same period last year. By 2023, the total investment scale is expected to exceed 2749.8 billion Yuan.

In 2020, the 127th Guangzhou Trade Fair, known as the "barometer of China's foreign trade", was also held online from June 15th to 24th. In this case, the main online display and docking platforms, cross-border e-commerce zones, and live marketing services are available. In terms of live streaming marketing, we will build online live streaming columns and links, and provide 10 separate channels for each enterprise × A 24-hour online live streaming room that is not affected by any time or space. It allows for individual face-to-face discussions with customers online, and can also promote and promote a large number of customers during the online live streaming process. What enterprises need to consider is, what is the minimum export order amount? The essence of foreign trade is a "product", and whether it can be recognized by buyers depends not only on the eloquence of foreign trade anchors, but also on the performance, quality, configuration,

hardware, and professional level of the enterprise.

So, there is not much to learn from the domestic live streaming model for foreign trade companies' live streaming. However, many preparations on live streaming materials can be referred to by foreign trade enterprises, such as background walls, lighting settings, camera equipment, recording equipment, clothing, etc. Before the live broadcast, it is essential to have professional talents, script planning, traffic guidance and preheating.

### **3.1. The Basic Modes of Foreign Trade Live Streaming**

In general, foreign trade live streaming has a set of operational methods and processes, which can be roughly divided into the following stages. First, choose a live streaming platform. Enterprises need to choose their own live broadcast platforms, such as Taobao Live, Kwai, Tiktok, etc. in China, or Facebook, YouTube, etc. in the world. When selecting a platform, it is necessary to consider multiple factors such as platform user size, user attributes, industry adaptability, and live streaming functionality. The second step is to plan the live streaming content. Enterprises need to plan attractive and targeted live streaming content based on product characteristics and customer needs. The content can include various forms such as product introduction, demonstration, explanation, and interaction. Step 3: Preparation before live streaming. Enterprises need to prepare the equipment, network, cameras, microphones, lighting, and other equipment required for live streaming in advance, and need to test the stability of the live streaming environment and the quality of audio and video. The fourth step is about to start the live broadcast. Enterprises choose live streaming time, themes, invited guests, and other information on the live streaming platform, and provide pre announcement and promotion before the live broadcast. During live streaming, the host needs to engage in interactive activities such as answering audience questions and participating in lottery draws to increase audience participation. Step 5: Promote after live streaming. After the live broadcast, enterprises can edit and produce the live video, promote and promote it again, and attract more customers to participate. At the same time, enterprises can continuously optimize live streaming content and effectiveness through data analysis and customer feedback.

The above is the basic operation mode of foreign trade live streaming. Enterprises need to customize according to their own situation and market demand to improve the live streaming effect and promotion effect. So what are the live streaming modes for cross-border e-commerce platforms to bring goods to?

#### **3.1.1. Expert Live Streaming**

First, find the merchants on the AliExpress platform. Click on "Merchant Center" – "Live streaming". Secondly, on the live streaming page of AliExpress, click "Discover" – "Live", and then find a influencer to live stream. Merchants need to pay a fixed price, which is CPS commission. You can provide samples to the anchor and pay the corresponding fees. Finally, businesses need to ensure that their anchors have sufficient professionalism and fan base to ensure that they can deliver high-quality live streaming results.

#### **3.1.2. Merchant Self Broadcast**

The live streaming organized by merchants themselves will be provided with complete guidance or certain traffic support

by the official, in order to help merchants better utilize their live streaming functions and achieve more commercial value. The entire preparation process is organized and completed by the merchants themselves. Merchants do not need to pay a penny to the platform, nor do they need to spend time and effort on platform development. The anchor can also be the merchant's own employees or the merchant's own anchor resources.

#### **3.1.3. Flash Sale Live Streaming**

This is hunger marketing. There are only a few discounts, which will change later. Of course, merchants will not release all the discounts, but will cooperate with some brand partners, such as Taobao live streamers, who will also have their own brand partners to help merchants drive sales. In addition, these anchors will also take out a certain amount of products in their live streaming rooms to give back to fans at a lower price than consumers would normally purchase. Finally, these products will be sold for a limited time/quantity to ensure that consumers can purchase the products they want in the first time.

#### **3.1.4. Institutional Live Streaming**

Some institutions collaborate with domestic media to conduct special live broadcasts, inviting well-known media or anchors to provide live coverage, creating a strong live atmosphere, and inviting multiple brands to conduct live broadcasts, allowing consumers to have more experiences. This live streaming can meet the requirements of special events (such as new product launches, new product releases, store anniversaries, etc.) and platform marketing nodes, allowing consumers to experience and interact more.

#### **3.1.5. Live Streaming from the Origin**

This mode is to go deep into the country of origin and carry out live broadcast. The live broadcast targets are mainly agricultural products, fruits, etc. You can buy them directly in the country of origin and then ship them, so that you can get the best cost performance ratio. At the same time, consumers are also more confident about the quality of the products, thus avoiding price differences among intermediaries, allowing customers in the live streaming room to feel the price discounts and a simple purchasing experience. Through live streaming, consumers can have a more intuitive understanding of the quality and characteristics of products, thereby stimulating their purchasing desire

#### **3.1.6. Professional Platform-based Content**

During large-scale events, AliExpress will release such live streaming content. This type of live streaming content will be developed by the official with corresponding themes and content formats, and targeted investment will be made to top enterprises in the industry. Selected merchants can participate in the online live streaming activities organized by AliExpress by sending product samples to the live streaming room.

#### **3.1.7. Single Product Live Streaming**

This model is for broadcasters to promote one or several products, not limited to food and clothing, but focused on introducing these products so that consumers can experience them firsthand. Their recommendations are not limited to a particular product, but cover the majority of products, so that consumers can feel its true effect, so as not to step on the thunder. This model has been loved by many consumers and fans, who believe that it can help consumers purchase products with greater confidence.

On cross-border e-commerce platforms, live streaming can bring more profits to merchants and platforms, reduce return

rates, and promote user purchases. Various types of live streaming methods can have various development models, and through live streaming sales, more interaction can be generated between consumers and businesses. Generally speaking, the goal of live streaming for foreign trade B2B enterprises is not to bring goods, but to view live streaming as a communication channel between both parties, showcasing the company's products and services through live streaming, while also exporting brand culture.

For many foreign trade sales, nothing excites them more than an inquiry, and chatting without an inquiry is like playing hooligans. However, for B2B enterprises, the purpose of live streaming is not just that. Upon closer analysis, lipstick sales and B2B companies sell products, and their customers have the same purchasing characteristics, such as purchasing decision-makers, purchasing process, purchase amount, etc. However, unlike buying lipstick, they directly place an order when they see their favorite color code. Women's lipstick has their own financial freedom, and they only need to wait for delivery at home. The live procurement of B2B products will not be so direct, impulsive, and simple. After a live broadcast that lasted for several hours, I found that the number of followers on my account was increasing, and interactive comments and private messages were also constantly appearing. The purpose of this live broadcast was to increase followers through product promotion.

Live streaming is an instant marketing tool and method that allows buyers in different countries to establish interactive relationships with foreign trade enterprises through online cloud spaces. Buyers can learn about the company's products and functions in the live streaming room, and can also post information in the comment area to ask real-time questions about the company's products. The seller of the company can also answer users' questions in the first place. In this way, the fans obtained through live streaming will become a part of the private domain traffic pool, making good use of every live streaming opportunity and continuously expanding the enterprise traffic pool.

## **4. Market Prospect Analysis of Foreign Trade Live Broadcasting**

With the rapid development of policies and practices, this new trade model has a very broad market prospect for foreign trade live streaming. According to market research and predictions, foreign trade live streaming will become an important trend and growth point in the e-commerce industry in the coming years. Here are some real-time analyses of the prospects of the foreign trade live streaming market.

### **4.1. The Market Size is Constantly Expanding.**

With the rapid development of cross-border e-commerce in China, the scale of the foreign trade live streaming market is also constantly expanding. With the acceleration of globalization, more and more enterprises are paying attention to the emerging sales channel of foreign trade live streaming. Foreign trade live streaming sells products through online platforms, enabling companies to showcase their products globally and attract more consumers.

According to reports, the scale of China's foreign trade live streaming market has reached 900 billion yuan in 2020, with a year-on-year growth of over 100%. At the same time, more and more countries are also emerging foreign trade live streaming platforms, such as "K-Live" in South Korea,

"Dealshare" in India, "ShopTV" in the Philippines, and so on.

The rapid development of foreign trade live streaming not only brings more sales opportunities to enterprises, but also provides consumers with more convenient shopping methods. It can be foreseen that in the future, the scale of the foreign trade live streaming market will continue to expand and become an important component in the field of e-commerce.

### **4.2. Rapid Growth Rate**

In recent years, with the continuous development of internet technology and the continuous innovation of live streaming formats, foreign trade live streaming has become a new marketing method and sales channel, with a very rapid growth rate.

Foreign trade live streaming allows enterprises to display products in real-time interaction, convey brand and product information to global buyers, and improve product awareness and sales. At the same time, foreign trade live streaming can also allow buyers to directly communicate and communicate with sellers while watching the live streaming, improving the confidence and accuracy of purchasing decisions.

The growth rate of the foreign trade live streaming market is rapid, thanks to the popularity of live streaming e-commerce and the increasing recognition of consumers for live shopping. According to data, there were many bright spots in foreign trade data for December 2021, especially export growth that continued to remain at a high level. According to customs data, in US dollars, the total export value of China in December 2021 was 340.50 billion US dollars, a year-on-year increase of 20.9%. And it continues to grow.

It can be foreseen that with the continuous development of technology and market, foreign trade live streaming will become one of the important marketing and sales methods for enterprises, and will also promote more convenient and smooth global trade.

### **4.3. Huge Potential for Cross-border E-commerce.**

Cross border e-commerce is one of the main application scenarios for foreign trade live streaming and is currently receiving increasing attention. It combines cross-border e-commerce with live streaming, providing consumers with a more intuitive, interactive, and entertaining shopping experience. At the same time, it also provides sellers with a faster, more effective, and convenient promotion and sales platform.

According to data, as of 2021, the global cross-border e-commerce market has exceeded \$2.5 trillion and will continue to grow rapidly in the coming years. The live streaming e-commerce market has also rapidly risen in the past few years, and it is expected that by 2023, the global live streaming e-commerce market size will reach \$418.1 billion.

The potential of the cross-border e-commerce live streaming market has also been continuously verified. According to data from the China E-commerce Research Center, as of 2021, the scale of China's cross-border e-commerce live streaming market has reached 260 billion yuan, a year-on-year growth of 123%. According to foreign media reports, cross-border e-commerce live streaming markets in regions such as the United States, Europe, and Southeast Asia are also rapidly emerging.

Therefore, it can be said that the potential of the cross-border e-commerce live streaming market is indeed enormous.

It brings more opportunities and challenges to the cross-border e-commerce and live streaming industry, while also bringing consumers a more convenient, affordable, and enjoyable shopping experience. It is predicted that the scale of the cross-border e-commerce market will exceed trillion yuan in the coming years, and foreign trade live streaming will become an important driving force for the development of cross-border e-commerce.

In summary, the foreign trade live streaming market has broad prospects and great development potential. Meanwhile, with the continuous changes in technology and user needs, foreign trade live streaming will usher in more innovation and development.

## 5. Conclusion

With the development of internet technology and social media, foreign trade live streaming has become an emerging way of promoting trade. Foreign trade live streaming can not only provide direct sales channels for enterprises, but also help them expand overseas markets and strengthen their brand image. At the same time, foreign trade live streaming can also improve the sales conversion rate of goods and save enterprises' promotion costs.

However, there are also some issues with foreign trade live streaming, such as trust issues, after-sales service issues, and content quality issues. In addition, enterprises also need to pay attention to some details when conducting foreign trade live streaming, such as the selection of live streaming platforms, content planning, and the development of promotion channels.

For enterprises, they should choose a suitable foreign trade live streaming platform based on their own situation, and strengthen product promotion and marketing planning. At the

same time, enterprises should also focus on after-sales service to improve user satisfaction and loyalty. For live streaming platforms, it is necessary to strengthen the review and supervision of anchors and products to ensure the quality and authenticity of content. In the future, with the development of live streaming technology and artificial intelligence, foreign trade live streaming will present a more diversified and intelligent development trend. Enterprises need to follow the pace of market development, continuously innovate and improve their competitiveness.

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