

# Professional KOLs' Livestreaming and Its Influence on Consumer Behaviors in China

Jie Huang<sup>1,2</sup>

<sup>1</sup>Zhejiang Satellite TV News Center, China

<sup>2</sup>Zhejiang media group, China

**Abstract:** In China, KOL endorsement is not considered a common approach that brands use to promote products or services to consumers with the development of social media networks. In the recent years, it is noticed that KOLs in China have increased their use of new method to circulate information, such as KOL livestreaming. In terms of the use of livestreaming, it is necessary to point out that it is different from other communication tools on social media, which allows social media users to stay long time with the KOLs and to receive more details. A primary research is conducted with a mixed approach to use online survey and interviews to investigate the influence of KOL livestreaming on consumer behaviors in China. KOL livestreaming is a new format of content that KOLs provide to social media followers. In this format, KOLs offer much information for audiences as time limit is not a constraint anymore. From the investigation, it is noticed that brands that intend to use KOL livestreaming need to pay attention to the influence of KOL livestreaming on consumer decision making and therefore the selection of the KOLs that fit the brand image is critical. This research is expected to offer useful strategic planning for brands to leverage the livestreaming in their marketing activities.

**Keywords:** Social media, KOL, Influencer marketing, Livestreaming, Consumer behaviors.

## 1. Introduction

### 1.1. Research Background

#### 1.1.1. Social Media and KOL Prevalence in China

The media industries in China has experienced great transformations since 2000 with the emergence of the Internet and social media networks. As of 2018, China has 674 million social media users (Statista.com, 2018). As foreign social media networks are banned in China, Chinese social media users are usually active on Weibo, WeChat initially. In China, the popularity of the social media networks come with the growth of key opinion leaders (KOL), who are considered a connoisseur of a certain subject and those opinions are respected by others in public. With the influence of social media, the number of KOLs has increased in China, and a part of them have grown their professionalism since they dedicate themselves on it. According to the market research of Daxue Consulting in 2019, it is viewed that out of total population of 1.39 billion in China, there are 820 million Internet users (Allison, 2019). In China, KOLs of the post-80s and 90s generations seems to be prevailing the market with a high education. Individuals born during this time make up 86 % of KOLs (Escobedo, 2017). In the same time, it is necessary to point out that KOL has become a profession, as KOLs exchange their influence and knowledge with commercial brands to attract consumers to purchase. On multiple social media platforms, including Weibo, Douyin, Red and Yizhibo, the trend of livestreaming increases, and KOLs leverage the format of livestreaming to keep the audiences stay the streaming for long term, which allows KOLs to elaborate content and to provide insights on products (Q. Yang, 2019).

The popularity of KOLs in China is the reason why it attracts attention of commercial brands. The injection of investment and sponsorship in the KOL content boosts the development of the economy of Internet celebrities (Allison, 2019). The most popular KOLs can harvest millions of followers on their social media accounts. These KOLs are

perceived as important influence on shaping opinions of the followers who are customers in the market as well (Zottola, 2020). The fact that social media networks were created following the availability of Web 2.0 implies that interaction becomes feasible on online platforms (Zottola, 2020). Individuals who have expertise can generate content and release online without the restriction of the traditional media, which explains how KOLs boost. With an attractive lifestyle and image shaped, KOLs have created celebrity effects to receive admire from followers nowadays in China (Allison, 2019). As for the social media users, they have grown reliance over the content feeds on social media instead of other channels, which is the reason why KOL content on social media becomes well perceived (Freberg, Graham, McGaughey, & Freberg, 2011).

However, in the recent years, there is an increase of social media platforms offering different formats, noticing that the social media users in China are getting younger. The emergence of short-video social media networks, such as Douyin, Huoshan, Yizhibo etc. drive the development of livestreaming KOLs in China (Cunningham, Craig, & Lv, 2019). Meanwhile, the behaviors of Chinese social media users have been changed. Instead of reading texts and viewing photos, young social media users are fascinated with short video social media platforms. The popularity of short video platforms drives the increase of professional KOLs who use livestreaming to interact with followers and to directly push products to customers. Livestreaming allows KOLs to interact with the followers in real-time and to stream the videos in length (G. Zhang & de Seta, 2018). This new format of content emerged and has got popular in China, especially when the KOLs leverage the opportunities to feed more content for audiences.

#### 1.1.2. Brand Recognition of KOL Effects

In marketing practices, celebrity endorsement has been recognized, seeing celebrities endorsing and representing brands and products in the past decades (Spry, Pappu, &

Bettina Cornwell, 2011). The term of fan economy is created to describe the economic value that celebrity effects can create, as brands can leverage the fandom of the celebrities to elevate brand image and commercial benefits (Hung, 2020). The popularity of digital media causes the traditional celebrities to lose their attraction, though they may still be well perceived for their professional performance (Schouten, Janssen, & Verspaget, 2020). It is important to point out that KOLs grow from grassroots are perceived to be more trustful and credible when they release content, while celebrity endorsement usually lacks interaction and authenticity (Chung & Cho, 2017; Turnbull, 2017). Young consumers, especially social media users, tend to follow online sensations for advice for their purchase decisions. According to Lissitsa and Kol (2016), online shopping is nowadays well adopted among the young consumers from the Generation Y, which suggests that they tend to extract information from online to justify their online shopping decisions. Levy, Kol, and Nebenzahl (2017) point out that social media networks offer user the new online information sources, and therefore social media communication is well considered among brands, especially with the development of social media marketing activities. Influencer marketing refers to a hybrid of traditional marketing concept and new marketing tools of celebrity and KOLs to elevate brand image and product awareness (Lou & Yuan, 2019). Compared to the traditional marketing tools and practices, influencer marketing is perceived to demonstrate higher trust and credibility among online and social media users.

In the Chinese social media context, the KOL economy has been booming with the number of KOLs increases and the powerful fandom demonstrates (Allison, 2019). In recent years, the social media landscape has been changing and developing to allow KOLs to effectively embrace the new communication formats and to create impacts. When social media networks first emerged in China, the initial platforms were Weibo and Renren, which are equivalent to Twitter and Facebook. Hence, the early KOLs were active mainly on Weibo to release content in various format with short texts. With the number of social media users increases, new social media networks have emerged in China to facilitate different communication ways. The emergence of WeChat offers a comprehensive social media app for over 1 billion users in China, which allows KOLs to post lengthy articles with richer information than Weibo. In the recent years, the popularity of short videos is pushed by the emergence of Douyin, Yizhibo, and Little Red Book (Cunningham et al., 2019). Brands' communication strategies follow the market trends especially the new social media landscape, which explains why there is an increasing brand sponsored livestreaming programs demonstrated with KOLs' support. Taking the recent livestreaming project of Louis Vuitton of its Spring Summer 2020 collection as an example, it is noticed that Louis Vuitton invited KOLs and celebrities to present its new product on Little Red Book, which is considered a pioneering initiative in luxury brands (R. Zhang, 2020).

Brands' recognition of the effectiveness of KOL endorsement and to gradually adopt livestreaming to communication is new in the Chinese market. Thus, it is an interesting subject to investigate in order to better understand the impacts of effectiveness of these new moves. For brands, it is critical to ensure that the target customers respond positively to the KOL marketing activities and the new imitative of using KOL livestreaming. Hence, this research

project finds it inspiring to investigate customers' response towards KOL livestreaming content sponsored by brands. Whether KOL livestreaming has special impacts on consumer behavior is an important perspective to look into for this research.

## 1.2. Research Aim and Objectives

The research aim and objectives are formed above reflecting the current social media landscape and the intention to further examine the effectiveness of KOL livestreaming in the Chinese market. The research background provides the current situation of the KOL livestreaming adoption in the business in China. Since the livestreaming of KOL remains a new initiative, whether the customers find it acceptable and reflect it in their consuming practice is interesting to further investigate.

This research aims to investigate the influence of the KOL livestreaming on consumers' purchase behaviors in China.

Research question: How does KOLs' livestreaming influence consumers' purchase behaviors in China?

Research objectives:

To investigate the Chinese consumers' attitudes towards the KOLs' endorsement content

To examine how KOL livestreaming influence Chinese consumers' behaviors

To identify the impacts KOL' endorsement content on brands' promotion and sales in China

To provide recommendations for brands to leverage KOL marketing to promote their products and services

## 1.3. Research Significance

This research project is significant to examine the influence of the KOL livestreaming on purchase behaviors of Chinese consumers. Social media marketing has been well adopted now in China, though brands have been trying various practices to test the effectiveness. In the recent years, it is noticed that brands have grown their support to KOL livestreaming content with products sponsored and special discounts offered. In this case, whether customers perceive the KOL livestreaming with brand endorsement to be effective is an important subject. This research aims to collect opinions from the Chinese consumers to understand their motivation to purchase products endorsed in the KOL livestreaming and the underlying reasons.

Since livestreaming is a new tool for KOLs to use to present a holistic content of products and explanation, it becomes a new trend in the Chinese market. Based on the understanding, it is therefore important to investigate how KOL's livestreaming is useful nowadays in the KOL economy. The Chinese consumers seem to have the interest in exploring new features on social media and online media, especially among the young social media users. Many brands nowadays have leveraged the growth of influencers of social media networks in China to fulfill the marketing activities and practices. Besides, with the new format of KOL livestreaming, whether consumers find this communication format convincing will influence the future landscape of marketing strategy and practices in China. The result of this research plays a significant role to identify the specific factors that share the consumer purchase behaviors.

## 1.4. Structure of the Dissertation

In the chapter of introduction, the research background regarding Chinese KOL endorsement and brand sponsored

KOL livestreaming will be explored, which helps this research project to identify research aim and objectives. In the chapter of literature review, the key theoretical frameworks about social media, KOL endorsement, as well as consumer behavior. This chapter of literature review provides the important insight through looking into the existing studies on the impacts of KOL endorsement and consumer behaviors. In the chapter of methodology, research methods are selected and justified for this research. The explanation in detail will be provided to justify the selection of the research methods for this project. After the primary data are collected, in the chapter findings and discussion, the results of the data will be presented and analyzed. The data collected are expected to lead to the identification of answers to research question and to fulfill the research objectives. In chapter 5, a conclusion is drawn based on the research data and analysis.

## 2. Literature Review

In the chapter of literature review, the current studies on social media, KOL endorsement, as well as consumer behaviors will be reviewed to offer theoretical insights for this project. Firstly, the definition and features of social media will be provided to facilitate the understanding of the differentiated characteristics of social media. As KOLs are mainly active on social media, hence, KOL endorsement on social media will be reviewed based on the existing studies. For KOLs, e-WOM (word of mouth) effects is an important subject to study, as it facilitates the understanding of the effectiveness of KOL endorsement. Regarding consumer behavior theory, consumer decision making process can integrate the influence of KOL and social media networks, which will also be examined closely in this study.

### 2.1. Social Media

The emergence of Web 2.0 drove the development of social media (Constantinides & Fountain, 2008). Social media refers to interactive computer-mediated technologies that allow online users to create and share information in various formats in the virtual community (Carr & Hayes, 2015). Social media are seen as online websites or applications designed to facilitate users to participate in social networking through information exchange (Fuchs, 2017).

Compared with traditional media, there are different features about social media to be identified. User-generated content (UGC) is an essential feature of social media, when comparing to traditional media (Daugherty, Eastin, & Bright, 2008). UGC function of social media motivates individuals to share information and to facilitate two-way communication. In traditional media, audience are not provided with the opportunities to easily communicate with the content contributor. Nowadays, social media users are not only audience, but they are also the content contributor who can claim content ownership on social media (Nain & Kim, 2004). With the feature of UGC, virtual communities were constructed based on the shared interest of social media users (Goh, Heng, & Lin, 2013). To some extent, democracy is demonstrated on social media, since users can express their opinions dynamically (Nabatchi & Mergel, 2010). Hollensen, Kotler, and Opresnik (2017) suggests that social media networks have changed the sender-transmitter communication model of the traditional media, as audiences can release content and play the role as information senders. On content-based social media networks, users can generate content in various and to better maximize the impacts of UGC

(Hanna, Rohm, & Crittenden, 2011). Ok

Another important feature to mention about social media is word-of-mouth (WOM) effects. WOM refers to the passing of information among individuals through oral communication. WOM effects are powerful to influence individuals, because within a community, there is trust built among individuals. WOM effects are extended with the development of social media. The concept of E-WOM is provided with the understanding of the growth of online and social media communication. Especially, with social media networks, virtual communities are constructed based on shared interest, the interaction among people contributes to the higher perceived credibility and trust. In this scenario, content distributed on social media shows the WOM effects as communication occurs online naturally. This feature of E-WOM is also important to improve the relationship between KOLs and social media users, as the passing of information in the virtual community is similar to information exchange in reality (López, Sicilia, & Hidalgo-Alcázar, 2016).

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Viral effect is an evident feature of social media. Virial effects are seen when a single piece of information can be circulated to different channels quickly in short term (Miller & Lammas, 2010). On social media, the ease to forward the content through different online communication tools is the reason why viral effects are relatively easier to create (Miller & Lammas, 2010).

Based on the understanding of the definitions of social media and its differentiated features, it is understandable that social media networks offer the environment for KOLs to grow.

## 2.2. KOL Endorsement on Social Media

### 2.2.1. Definition of KOL Endorsement

As mentioned, social media networks demonstrate particular features differentiated from traditional media. For social media KOLs, they can be active on social media without being subject to the restriction of traditional media. In terms of the definition, Delerue, Kaplan, and Haenlein (2012) define KOLs as the new form of independent third-party endorsers who own the capacity to show their expertise and to influence social media users through content distributing. Shen, Kuo, Ly, and Thi (2017) point out that UGC effectively facilitate social media users' activities to create and generate content to attract attraction on social media. KOLs distribute content leveraging personal opinions and experience to influence the perception of the social media users (Hanna et al., 2011). Booth and Matic (2011) explain that KOLs grow from grassroots individual social media users, while their personal insights and expertise have the chance to gain support from other users. When the number of followers of KOLs grows to a certain level, the individual social media accounts start to show their power to shape others' opinions (Kamphuis, 2017). With the power of individual KOLs grows, it is noticed that brands' traditional communication model through advertising and print media is challenged (Booth & Matic, 2011). A critical issue with the traditional communication of brands is its credibility. Consumers nowadays have grown their consciousness of brand advertising, which means that they may not have trust in the commercial advertising that they see from media (Lee, 2005).

KOLs are generally grown from grassroots, which means that they are social media users who initially have no influence over others (Freberg et al., 2011). However, with

the content and expertise that they share attract followers, they own power and influence over the followers and other social media users. Because influencers on social media leverage the features of social media networks to interact with followers and others, it is understood that the trust of social media is relatively high (Langner, Hennigs, & Wiedmann, 2013). The persuasion that KOLs can demonstrate among other social media users is important for them to gain power in promotional activities (Diza, 2018; Langner et al., 2013). KOLs or influencers on social media have become a profession, which implies that commercial benefits are often sought after the popularity of them. Diza (2018) argues that the phenomenon of influencer marketing emerges for enterprises to adopt, as influencers have gained their power and capacity to influence consumers' purchase decision and behaviors. KOLs engage with social media followers as they interact with each other easily. The e-WOM effects on social media networks are also fundamental to influence social media users' perception over the KOLs' content (Lou & Yuan, 2019).

KOLs endorsement can be paid endorsement or organic endorsement (Hung, 2020). For brands, they have realized that audiences, especially young audiences, have moved from traditional media to social media. Hence, it is important for them to leverage the influence of KOLs to promote the products or brands. Unlike the one-way communication model demonstrated in the traditional advertising, social media influencers can interact with their followers and influence their perception and even purchase intention. Unlike the use of advertising content, KOLs generally create their own content to endorse products or to show their interest, hence, it is more likely that e-WOM effects are demonstrated (López et al., 2016). Before the emergence of KOL endorsement, celebrities play an important role to communicate with the public for brands, however, celebrities may remain distant from the social media users and hence less effective to influence their purchase intention and behaviors (Abreu, 2019; Peters, Chen, Kaplan, Ognibeni, & Pauwels, 2013).

The practice of influencer marketing continues to grow worldwide. KOLs on different social media platforms have leveraged the different features of these platforms to create attractiveness for followers. Instagram has been considered a more entertaining and fashionable network, which attracts social media users who share similar interest (Djafarova and Rushworth, 2017). How influential that a KOL can be is often decided by the size of followership (De Veirman et al., 2017). When KOLs have large population of followers, the content that they share can reach to more people online (Vankiani and Chheda, 2020).

### **2.2.2. KOL Endorsement and Perceived Trustworthiness**

Bruns (2018)'s study about social media influencers is useful for gaining insights in the measurement of influencers' success. Solis (2012) proposes a concept of social capital to facilitate the measurement of KOLs' influence. Meanwhile, the definition of social capital is offered, as it is the prerequisite for KOLs to influence the behaviors of their followers (Subbian, Sharma, Wen, & Srivastava, 2014). Three components are perceived critical to define social capital, such as reach, relevance and resonance (Solis & Webber, 2012). Social capital is also associated with the accumulated trustworthiness of influencers. Brown and Hayes (2008) state that social media influencers' trustworthiness is primordial determinants. Shen et al. (2017) argue that social media users

do not mind whether the influencers are paid to endorse products, hence, the trustworthiness is stable. However, there is different opinion towards the trustworthiness that social media influencers gain. Dhanesh and Duthler (2019) suggests that social media users nowadays have awareness of whether a social media endorsement is paid, and hence, they may also have negative reactions, if social media influencers frequently post such content. Solis and Webber (2012) point out that social media influencers' trustworthiness can suffer, when social media users notice that they are endorsing for brands.

Whether the selected KOLs fit the brand image and reputation is an important factor for brands to consider when making influencer marketing strategy (Solis and Webber, 2012). Kahle and Homer (1985) argues that influencers' physical attractiveness decides their power of influence. This statement was proposed for explaining the power of celebrities in product or brand endorsement, though it is also useful to explain the influence of social media influencers nowadays (Mahoney and Tang, 2016). In leveraging the tool of KOLs in marketing practices, brands need to take the relationship between brands and customers into account. The adoption of influencer marketing caters to the changes of consumers' communication patterns on the one hand. On the other, the popularity of e-commerce and social commerce is critical to ensure that there is a direct promotional tool to be used to lead customers to explore online (Diza, 2018).

According to Allison (2019), KOLs in China grow rapidly in the past decade, initially from the format of blogging. The popularity of social media networks facilitates KOLs' growth in China. As they are named as key opinion leaders, their opinions on certain areas are perceived important and influential (Social SEO, 2019). The development of social media platforms, such as Weibo and WeChat, is important for supporting the development of KOL fan economy (Allison, 2019). New social media networks emerged in China in the past years to allow users to explore new ways of interaction. For example, the development of Douyin allows users to create and share short videos. The establishment of Little Red Book allows consumers to share their authentic experience in shopping (Allison, 2019). Q. Yang (2019) introduces the popularity of the new format of KOL livestreaming in China and explains that this new format has grown its popularity among users and brands. In fact, Chinese brands have adopted this innovative communication format to allow KOLs to appear in the livestreaming to present the products and communicate with followers on live. R. Zhang (2020)'s article shows that after COVID-19 pandemic, the French luxury fashion brand Louis Vuitton adopted this new format of livestreaming and invited KOLs and celebrities to present a new collection of products to followers on Little Red Book.

From the review of studies on KOL endorsement, it is viewed that KOL endorsement has been changing and developing with the social media networks and formats of communication change. In recent years in China, livestreaming is recognized as a new format for KOLs to communicate with followers.

### **2.3. Electronic Word-of-Mouth (eWOM) and the Influence of KOLs**

Word-of-mouth (WOM) refers to the passing of information from one person to another through oral communication, which can enhance others' awareness and interest in the shared subject (Doh & Hwang, 2009). Although WOM effects are not necessary associated with product

recommendation, WOM has its commercial meaning for brands that intend to leverage personal experience to influence other consumers (Groeger & Buttle, 2014).

The context of the Internet popularity nowadays also brings new features to WOM effects, as interpersonal communication frequently occurs on the Internet, while the interactivity offered by social media networks drives the change (Dasgupta & Kothari, 2018). Communication has been changed with the popularity of social media, as UGC is promoted. Besides, in social media, virtual community is developed, which suggests that the content shared among social media users is perceived of credibility (Doh & Hwang, 2009). The influence of KOLs is now fundamental, as they are perceived of expertise and personalities in social media communication. The concept of electronic word of mouth (eWOM) evolves from the traditional WOM definition. It refers to any positive or negative comments about a product or a brand made by the former users in the internet communities (Subramani & Rajagopalan, 2003). Between KOLs and social media users, KOL endorsement that is related to any products or brands can show eWOM effects. KOLs gradually gain power and influence on social media, while the showmanship on social media provides the opportunity for them to communicate their lifestyle (Chu & Kim, 2011). The engagement of social media users with KOLs is similar to interpersonal relationship that people maintain in the same community, which suggests a high level of credibility (Chu & Kim, 2011).

The use of celebrities to create WOM effects was not generally effective, since celebrities do not engage with audiences through interactivity (Hung, 2020). Noticing the growing of eWOM effects, brands have become influenced in adopting influencer marketing practices to leverage the eWOM effects from KOLs to promote products and brand image (Dasgupta & Kothari, 2018). For social media KOLs, they use an authentic approach to endorse products in the community (Choi, Seo, & Yoon, 2017). However, it is still a paradox for brands to make decisions on whether to use KOL influence to endorse brands, as it may be difficult for brands to find image match from KOLs online (López et al., 2016).

KOLs are perceived more trustworthy and authentic than brand advertising and celebrity endorsement, as KOLs have the power to influence through showing content in detail (Korotina and Jargalsaikhan, 2016). Consumer acceptance of KOL endorsement is critical to determine the effects. Hung (2020)'s study shows that in China, the development of fan economy is not only on celebrities, however, fan economy has been shifted to online influencers. With the example of the most influential livestreaming KOL, Li Jia Qi, the use of livestreaming creates fandom effects, as his followers tend to have trust in the products that he shows in livestreaming (Hung, 2020). According to Saxena and Khanna (2013), Web 2.0 offers the possibility to drive interaction with UGC, hence, the perceived trustworthiness in KOLs can be used to boost brand communication effectiveness. Through social media influencers, brands can enhance customer relationship and then make them into potential customers (Balakrishnan et al., 2014). According to Brown and Hayes (2008), online influencers are often perceived as the trusted advisors, hence, when consumers seek purchase options and advices, influencers are one of the information sources for consumers to obtain.

## 2.4. Consumer Buying Behavior and Influence of KOLs

For marketers, consumer behavior study and understanding is critical, as marketers need to understand how consumers think and feel before they purchase products from a wide range of products and services (Kardes & Steckel, 2002). Consumer behaviors are influenced by cultural, social, personal and psychological factors (Solomon, Dahl, White, Zaichkowsky, & Polegato, 2014). Although marketers do not necessarily have the capacity to influence all these four factors, it is important to understand the complex behavior of consumers. The study of consumer behavior refers to the process that involves the investigation of how a consumer group select, purchase, use and dispose products or services in order for satisfying their needs (Onkvisit & Shaw, 1994). In the marketing sense, the term of consumer is not only limited to those who purchase products; however, it is critical to study the pre-purchase activities and post-purchase behaviors. Pre-purchase activity refers to the stage of growing awareness of a need, and therefore actions will be taken to search for and evaluate information of the products to satisfy the need (Ajzen, 2008). As for post-purchase behaviors, it is about evaluation of information of the products based on the consumer usage experience (Ajzen, 2008; Kiel & Layton, 1981).

Donthu and Gilliland (1996) point out that there are two factors influencing consumer decision making, risk aversion and innovativeness. As for risk aversion, it is defined as a measure of consumers' need to be certain about the product quality and benefits (Donthu & Gilliland, 1996). For those highly risk adverse consumers, they tend to seek more information about purchase alternatives, while those less risk adverse consumers will tolerate more risk and uncertainty. As for innovativeness, it is now a global measure used to determine consumers' willingness in trying new experiments (Donthu & Gilliland, 1996).

It is critical to determine the perception factors of consumers and their influence over purchase decision. Perception is defined as a mental process, in which consumers select data from the environment and then make sense of the information to facilitate their purchase behaviors (Foxall, 2001). There are several factors determined in consumer perception. Perceived fit is an important factor to investigate how consumers perceive the fit of distribution channel and a product (Morrison & Roberts, 1998). For consumers, the perceived benefits are critical to push them to choose certain products, while quality is considered the most important factor (Trentin, Perin, & Forza, 2014). Moreover, marketing promotional activities are influential. Companies nowadays face challenges to increase market share and value, while marketing tools offer the opportunities to facilitate the activities. Brand awareness among customers can be improved when brands conduct relevant activities to promote brand and to attach the brand to consumers' memory (Nelson & McLeod, 2005). Consumers' motives refer to their wants and needs towards certain products, which can be categorized as functional and non-functional needs (Funk, Ridinger, & Moorman, 2004).

Consumer decision making process refers to an important theory in consumer behavior (Variawa, 2010). Consumer decision making process consists of five stages, including need recognition, information search, product alternative evaluation, purchase and post-purchase evaluation (Variawa,

2010). Social media nowadays have influence on various stages of consumer decision making process (Sema, 2013). In the need recognition process, social media are now an important external source that stimulate the needs and wants of consumers (Wang & Yu, 2017). As for the process of information search, the channels where consumers gain information have expanded, especially with the joining of social media (Dasgupta & Kothari, 2018). KOLs content are critical to influence consumers decision making, especially for those social media users (Dasgupta & Kothari, 2018). The Internet has brought changes to consumer decision making process. Information search on the Internet is convenient for consumers to have access to open information with transparency. Advertising and promotional activities influences the needs of consumers as well. Social media influencers are perceived a source of information nowadays, since they show information related to their lifestyle to consumers (Bilal, Ahmed, & Shehzad, 2014). In terms of purchase action, the development of social commerce makes it possible for social media users to purchase from social media distribution channel. As for the post-purchase feedbacks, with the availability of UGC, consumers can offer their opinions and experience on social media, which is influential for other social media users to make their decisions (Häubli & Trifts, 2000).

## 2.5. Conclusion

In this chapter of literature review, the definitions of social media and KOLs are provided, since many scholars have contributed to the investigation on this perspective. Besides, the features of social media and KOL endorsement mechanism are specifically determined. It is important to emphasize the impacts of UGC and e-WOM effects since they contribute to the credibility of KOLs on social media and differentiate them from traditional celebrity endorsement and brand advertising. Regarding the influence of KOLs on consumer behaviors, it is pointed out that KOLs have the power to influence consumers throughout the entire purchase process, especially for those individuals who are engaged with social media.

## 3. Research Methodology

### 3.1. Introduction

This chapter of research methodology is organized to present the process of selecting the most suitable research method and to facilitate the investigation of how Chinese KOL livestreaming influences consumers' purchase behaviours. The structure of the research methodology embraces Saunders (2012)'s research onion model, as it explains that research method can be identified by going through different stages.

According to Saunders (2012), research methodology can be structured with the exploration and determination of research philosophy, research approach, research strategy, data collection, sampling and data analysis. Besides, research ethical considerations and limitation also need to be discussed.

### 3.2. Research Philosophy

A research philosophy is defined as the belief about how research is designed and conducted to investigating a phenomenon, as well as how data are gathered, analyzed and used (Hammersley, 1993). In research philosophy study, the terms of epistemology and doxology are useful to explain the

process of developing knowledge through research. Epistemology means what is known to be true, which is different from doxology, which means what is believed to be true. Scientific research is conducted to serve the purpose of turning believed truth to known truth, which shows a process from doxa to episteme. According to Hughes and Sharrock (2016), in the Western scientific studies, positivism and interpretivism are commonly used. By reviewing the principles in positivism and interpretivism, this research will then determine the appropriate research philosophy to use.

#### 3.2.1. Positivism

Positivism refers to the philosophy in research supporting the importance of gaining factual knowledge through objective observation and measurement (Bryant, 1985). Positivists therefore engage in research and data collection objectively. Positivists are limited in the data interpretation, while they have to follow strict principles in data collection and research design (Heshusius & Ballard, 1996). Positivists assume that the reality is repetitive and stable, hence they can observe events in reality repeatedly and objectively (Levin, 1988). This determines the feature of the data collected in positivist research being observable and quantifiable (Laudan, 1996). Collins (2018) points out that positivism is linked with human experience using an empiricist view in the process of obtaining factual knowledge. The perception of the feasibility of positivism is that there are observable elements for observers to gather and analyze (Hunt, 1991). Wilson (2014) emphasizes the independence of researchers in the process of positivist research, as human interests should be excluded from the research.

As mentioned that data collected in positivist research have to be quantifiable, hence, quantitative data are the most suitable to facilitate positivist research (Hughes & Sharrock, 2016). Quantitative research relies on the large population of sample, as it is effective to help to eliminate bias (Remenyi & Williams, 1996). Researchers can demonstrate predictions for the future events based on the existing data analysis, which suggests that generalizability of positivist research exists (Remenyi & Williams, 1996).

The advantages of using positivism philosophy are associated with the objectivity and generalizability. However, there are disadvantages to point out. Positivism relies on human experience in obtaining factual knowledge in reality. However, not all subjects can be investigated through human experience and qualifiable data, especially when research subjects are associated with time, space, causes and personal opinions (Laudan, 1996). Positivism therefore is conditional, as it requires the research subjects contributing quantifiable data. Moreover, positivism cannot facilitate the investigation of data that helps to explore depth of insights (Hunt, 1991).

#### 3.2.2. Interpretivism

Interpretivism was brought up to complement the limitation of positivism. Unlike positivism, interpretivism allow researchers to be involved in the process of data collection and interpretation (Walsham, 1995). Interpretivists hold the opinion that it is contributing to take the factors of language, shared meaning and consciousness into account in order to understand reality (Walsham, 1995). The philosophical scope of interpretation is associated with idealism, as it allows the adoption of approaches of social constructivism, phenomenology and hermeneutics (Heshusius & Ballard, 1996). It is appreciated for researchers to subjectively collect data and analyze data collected (Walsham, 1995). Both primary and secondary data can be

useful for researchers to interpret following interpretivism (Williams, 2000). Interpretivism appreciates the collection of relative truth instead of absolute truth (Goldkuhl, 2012). As the world is changing, it is then reasonable to develop knowledge through gaining relative truth.

In terms of disadvantage and limitation of interpretivism, interpretivist research is conducted and processed in a subjective way. Subjective information may associate with bias, as personal opinions are shared (Heshusius & Ballard, 1996). The issue of generalizability in interpretivist research remains challenging, as the research result only reflect on the experience and perception a certain population participating in the research. The doubt of research reliability and representativeness is another weakness of interpretivism (Walsham, 1995).

As these two research philosophies are reviewed above, it is then important to determine the research philosophy for this research project and to continue specifying the research design and methods. It is noticeable that both research philosophies have their advantages and disadvantages, aiming to enrich the research methods and to eliminate the limitation in research philosophies, this research will adopt both positivism and interpretivism research philosophy and to engaged with a mixed research method. This research aims to investigate how KOL livestreaming in China influence consumer purchase behaviors, hence, the adoption of positivism and interpretivism in the research contributes to the study of the phenomenon as well as to understand the reasoning and underlying meaning based on individual experience and insights.

### 3.3. Research Approach

After research philosophy are determined, it is therefore necessary to determine the adopted research approach. Research approach refers to the plan and procedures conducted by researchers to facilitate the detailed methods in research (Singleton Jr, Straits, Straits, & McAllister, 1988). The nature of the research problem is critical to decide the selection of research approach specifically (Bloomberg & Volpe, 2008). The two available research approaches are deductive and inductive approach. Bryman and Bell (2011) point out that researchers need to identify hypotheses from literature review if deductive approach is adopted. Deductive approach is conducted to test research hypotheses and to conclude on the results for the research (Hyde, 2000). Deductive approach is adopted for positivist research. As for inductive approach, it is meant for generating new theory through analyzing data collected without taking the prior studies and hypotheses into account (Cooper & Schindler, 2003). Inductive approach is suitable for interpretivist research.

As mentioned, this research will adopt a mixed method, which means that both quantitative and qualitative data are collected for the research to use. The research context is specified, as the theme is on the KOL livestreaming and its impacts on consumer behaviors in China. Between these two research approaches, inductive approach is considered more suitable for this research nature, as generating a new theory from the data collected on the specific phenomenon in China is useful.

### 3.4. Research strategies

For this research, with the mixed approach adopted in collecting primary data, both survey and interviews will be

conducted on the determined respondents who are perceived knowledgeable and aware of the research subject. The rationale and justification of using both survey and interview is that both quantitative and qualitative research methods have their advantages and limitation. For facilitating survey, it is essential to design a questionnaire with the specific questions planned to facilitate data collection (Creswell, 2008). With the statistical data collected from survey, it is perceived that the results are objective, though it is unlikely for survey with questionnaire to explore depth in the research context. Besides, with interviews, the researcher will also prepare a list of questions to facilitate the interview process.

In terms of the location of the primary research, it is viewed that due to COVID-19, face-to-face interview and survey may be risky for both researchers and research participants. Hence, online survey and phone call interviews will be conducted to eliminate any physical risks. Online survey can be effective to facilitate research, since it is time saving and convenient for researchers to use, especially when there are multiple online survey platforms constructed (Lonsdale, Hodge, & Rose, 2006). As this research will conduct a survey in the Chinese context, it is perceived easier to use a Chinese online survey platform to distribute the online questionnaires. This research will then upload the questionnaire on wjx.com. As for interviews, to facilitate the process, phone call interviews will be conducted.

### 3.5. Data collection and sampling

After survey and interviews are completed, primary data will be conducted. Data collection facilitates the process of gather, clean and process data, and to ensure that the research can leverage the data collected to lead to effective findings (Hox & Boeije, 2005). Quantitative data will be collected from the online survey, while qualitative data will be collected from interviews. The online survey platform will provide a summary of the data collected; this is effective for the researcher to use the data directly. As for the phone call interviews, in order to ensure that data are well stored and used, this researcher will record the entire conversations between interviewees and interviewer. After the recording is completed, researcher will then listen to the recording and to transcribe the vocal information into texts.

In terms of sample, the researcher expected to receive 120 filled questionnaires. However, when the researcher checked after a week, only 42 filled questionnaires were completed online. Considering the time constraints of the research, the researcher then adjusted the target to 80. For the recruitment of KOLs in China, a critical criterion is that these KOLs must be using livestreaming to endorse for brands and products. To recruit these KOLs, it is challenging to get in touch with them. After failing to receive responses from several KOLs who are perceive influential in China, the researcher decided to recruit KOLs to participate in the interviews through acquittance. For the online survey, the adopted sampling technique is voluntary sampling. Voluntary sampling refers to the method of setting out a target for the population and then people who fit the requirement will join the research (Murairwa, 2015). This is because the online survey platforms usually facilitate the recruitment of responses through the internal database, hence it is important to set criteria on the online survey platform. As for the recruitment of interviewees, the adopted sampling technique is snowball sampling (Heckathorn, 2011).

### 3.6. Data Analysis Method

Since both quantitative and qualitative research are conducted, hence quantitative and qualitative data will be collected from the survey and interviews. In terms of data analysis, the purpose is to overview, clean transform and process data and to ensure that useful information is extracted from the collected data and to meet the research objectives (Rosenthal & Rosnow, 1991).

For analysing quantitative data, there are options of data mining, business intelligence and statistical analysis to be used (Cramer, 2003). Data mining refers to the process of modeling knowledge based on the research subject and to predict results. Business intelligence is usually applied on secondary research; hence it is not appropriate for this research. In terms of statistical application, it leverages the availability of statistical tools to categorize data into different categories (Treiman, 2014). For this research, as online survey contributes to the result of statistical data, hence statistical application is perceived useful to use.

With the interviews, qualitative data will be collected. The available qualitative analysis methods include content analysis, narrative analysis, framework analysis, grounded theory and discourse analysis (Dey, 2003). Content analysis is defined as the action of categorizing different content and to summarize the findings. Content analysis will be adopted for this research to analyze the data collected from the interviews.

### 3.7. Ethical considerations

As primary research is adopted in this research, it is hence critical to identify the potential ethical risks and to ensure that risks are eliminated and to defend the benefits for research participants. Firstly, it is important to protect the privacy of the respondents in the survey and interviews. The risk of private information leakage of the survey respondents is minimal, since the researcher does not have direct contact with the survey respondents. As for the interviewees, with the use of snowball sampling and phone call interviewing method, the researcher has access to private information of the interviewees, especially their name and phone numbers. The information collected will be stored in the personal communication devices, such as mobile phones and personal computers with passwords. For this research, the most important purpose is to complete an academic research, while third party individuals or organizations are not involved.

Secondly, another risk to consider is the age of the respondents that are recruited for this research project. This research does not intend to involve vulnerable social groups, while minors will not be recruited. In the survey, the criteria submitted to the online survey platform are clear, as the respondents of the survey have to be over 18 years old. As for the interviewees, I ask them whether they are over 18 years old, if not, the interviews will not proceed. Thirdly, it is important to ensure that the interviews and survey are conducted based on a voluntary basis. For the survey, a voluntary sampling technique is adopted with the support of the online survey platform, hence, the risk is eliminated. As for interviews, in order to make it clear for the interviewees that they enjoy the right to decide whether to participate and to continue with the interviews. The candidates of the interviews and refuse to participate or they can decide to terminate the interviews in the middle, which will also lead to immediate deletion of data that they provide.

To conclude, even though there are risks demonstrated in the survey and interviews, there are effective measures conducted to eliminate these risks.

## 4. Chapter 4. Findings and Analysis

In this chapter of findings and analysis, the results of the survey and interviews will be presented. The primary data collected will be used for facilitating the discussion and analysis of the phenomenon of the KOL livestreaming in China. It is expected that the data presented will provide insights from different perspectives. For the survey, the respondents are social media users in generally in China, their opinions towards KOL livestreaming are perceived to be representative and helpful to understand the Chinese social media users' perception. As for the use of interviewees, the interviewees are KOLs in China, hence their professional experience and insights are perceived to be effective to offer the insights from a different angle.

### 4.1. Survey Findings and Analysis

#### 4.1.1. Demographics Analysis

In the survey questionnaire, the first four questions are designed to facilitate the demographics study, which allows this research to investigate the demographical features of the respondents who participate in the survey. In total 80 respondents filled in the survey questionnaires online, hence the sample size of the survey is 80.

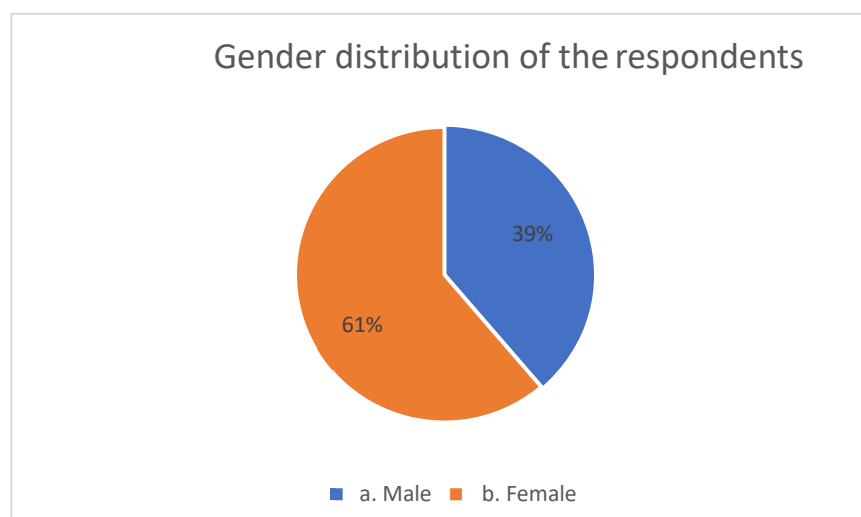


Figure 1. Gender distribution of the respondents to the survey

Question 1 in the survey is designed to investigate the gender of the respondents, which is an important factor of demographics study. According to the result presented in figure 1, it is noticed that the female respondents in the survey are 61%, which indicates that there is more female respondent than male. The sampling technique of the survey is voluntary sampling.

Hence, only those who are interested in the research subject will volunteer to participate in the survey. It is possible that this research subject is more attractive for the female social media users. The result of the survey is therefore more significant for understanding the attitudes and viewpoints of female social media users.

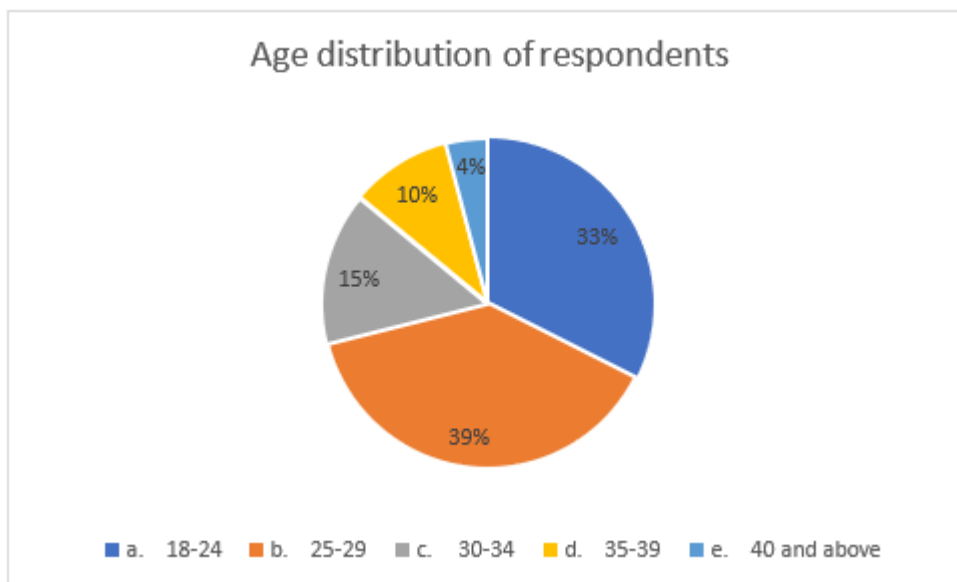


Figure 2. Age distribution of respondents

Question 2 in the survey asks the age of the respondents. Age is another important factor in the demographics study, and therefore it is necessary to determine the major age groups of the respondents. As mentioned in the research methodology, minor groups in the society will not be recruited for this research project, hence no respondents below 18 years old are recruited. From figure 2, it is viewed that the age group of 25-29 is significant, as it takes 39% in total. Besides, 33% of the respondents fall into the age group of 18-24. 15% of the respondents aged 30-34, 10% of the respondents are from

the group 35-39 and only 4% of the respondents are over 40 years old. The age distribution of the survey respondents fit the demographics of the social media users in China. According to Statista.com (2020), 25% of the social media users in China falls into the group of 25-34. According to the result of figure 2, it is noticed that 54% of the respondents fall into this age group. Another factor to mention about the use of social media is the familiarity of the Internet and smartphones. It is understandable that social media remains communication platforms for young people, and therefore the involvement of the age groups over 40 years is limited.

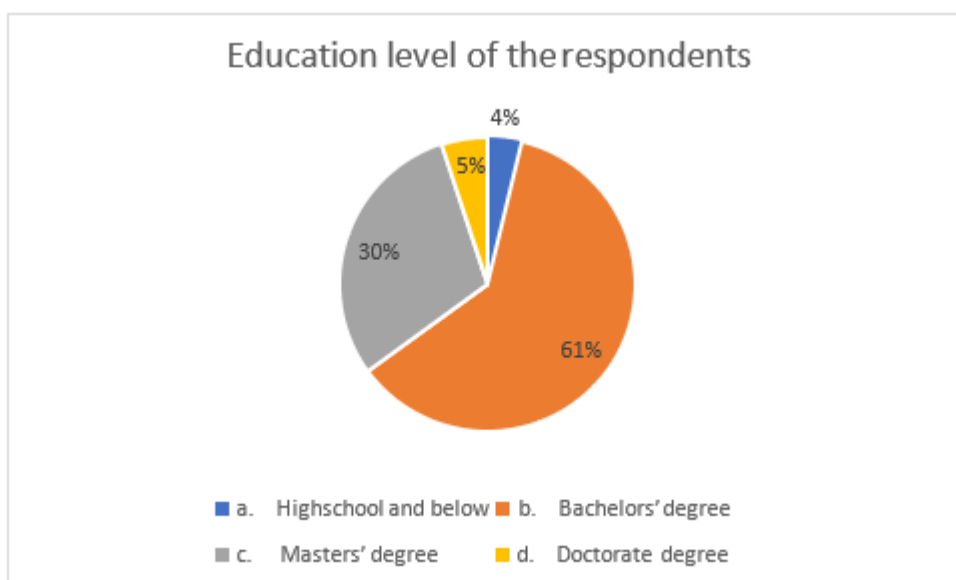


Figure 3. Education level of the respondents

Question 3 investigates the educational level of the respondents that participate in the survey. Based on the results shown in figure 3, it is noticed that 61% of the respondents have gained Bachelors' degree as their highest educational level. 30% of the respondents have received Masters' degree. The education level of the respondents that participate in the survey are high. This is an important factor to look into.

However, it is necessary to point out that the survey is conducted online, and therefore those individuals who have access to the Internet and social media will be more interested in the subject. Young people generally have more interest in innovativeness. Therefore, there is no surprise that the respondents have generally received higher education.

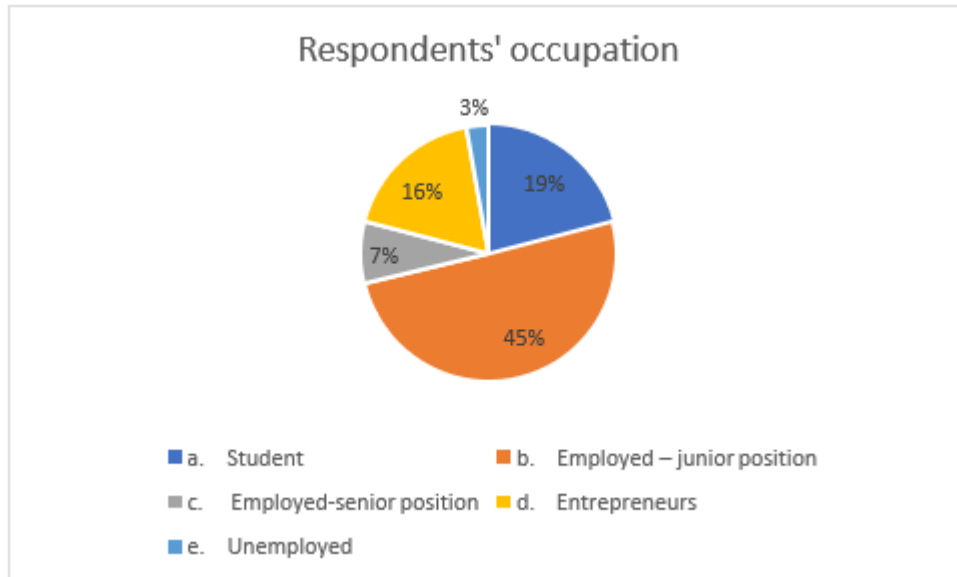


Figure 4. Respondents' occupation

From figure 4, it is viewed that 45% of the respondents are junior employees in organizations, while 19% of them are students. Respondents' occupation is highly associated with their social status in China, and therefore it is critical to investigate their occupation in the society which is useful for understanding who the target respondents are for investigating the use of KOL livestreaming in China. As indicated above that the survey respondents who volunteered to participate in the survey are generally young, hence it is perceived that the age factor is associated with the social status and occupation. Young people in the society generally have difficulties to be placed in senior positions, and therefore the occupation distribution of the respondents can be justified.

According to the demographic study on the survey respondents, it is noticed that the majority of the respondents are young females. Hence, it is asserted that the results of the survey will be more significant for understanding the behaviours and perception of the female social media users in China.

#### 4.1.2. Social Media Usage and Behaviours

KOLs in the Chinese context refer to those grassroots influencers who have the power to influence others on social media. Hence, in this part of the study, the focus is to investigate the usage and behaviours of the survey respondents on social media.

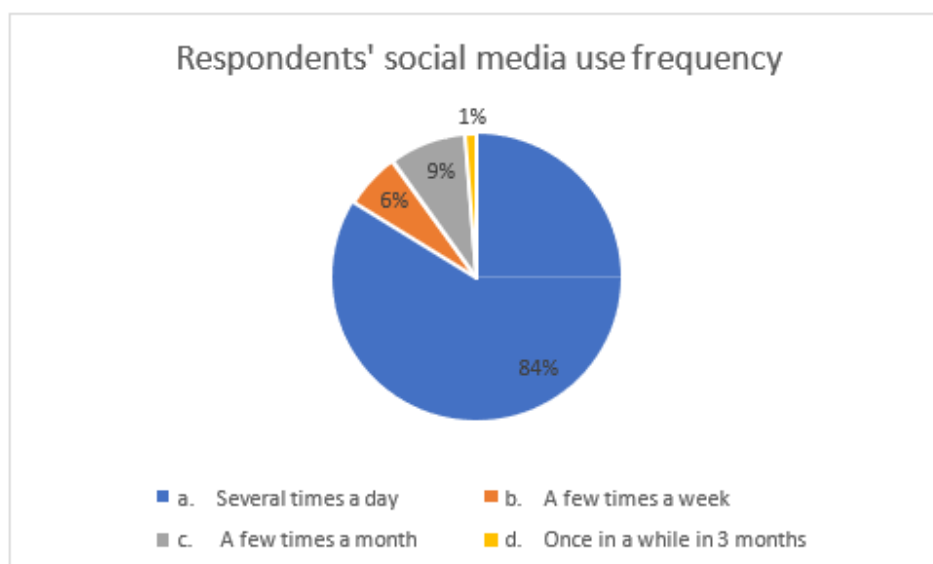


Figure 5. Usage frequency of survey respondents on social media

Question 5 in the survey is meant for investigating the usage frequency of respondents on social media. It is necessary to investigate whether the respondents are frequent users of social media and to further investigate the influence of social media influencers on them. According to figure 5, it is viewed that 84% of the respondents of the survey are frequent users of social media. The availability of the Internet and portable electronic devices allow social media users to have access to social media networks constantly. Besides, when the social media users frequently use social media, they will grow the reliance over the content that they receive from

social media networks. As 84% of the respondents are frequent social media users, it is therefore confirmed that the respondents recruited for this research project are qualified to offer insights of their behaviours on social media.

On social media networks, there are different information that social media users receive. Whether KOLs' content is accessed frequently determines whether their behaviours and perception can be influenced by KOLs. Question 6 of the survey is designed to investigate the viewing frequency of the KOL content.

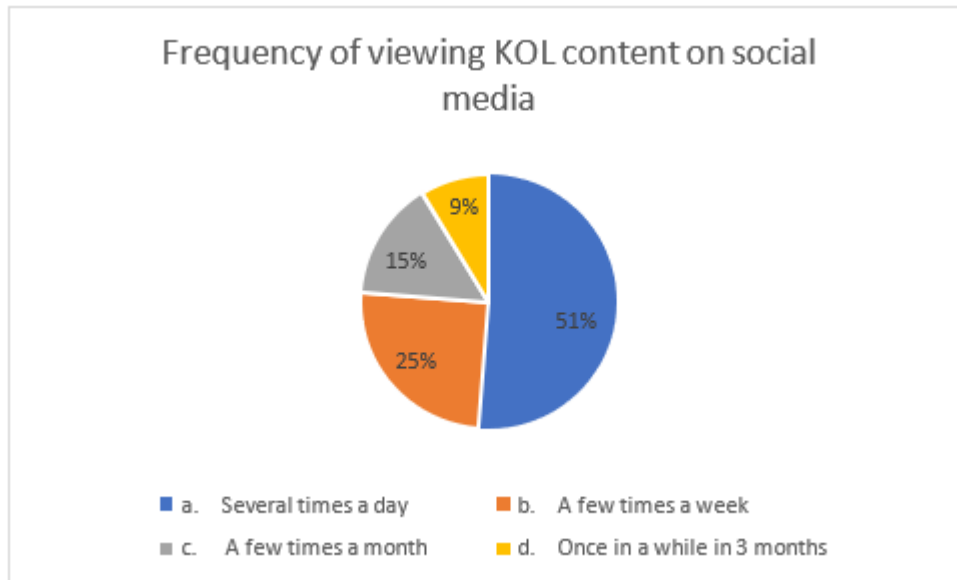


Figure 6. Frequency of viewing KOL content on social media

According to figure 6, it is understood that 51% of the respondents view KOL content on social media networks several times a day. 25% of the respondents view KOL content a few times a week. As over 50% of the respondents

view KOL content on social media several times a day, it is perceived that KOLs are now important information source of the respondents.

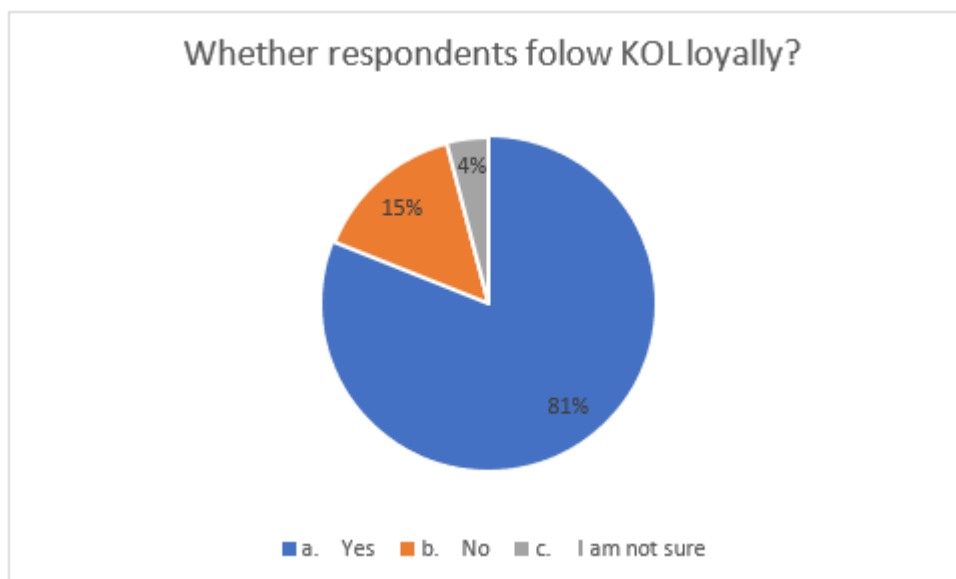


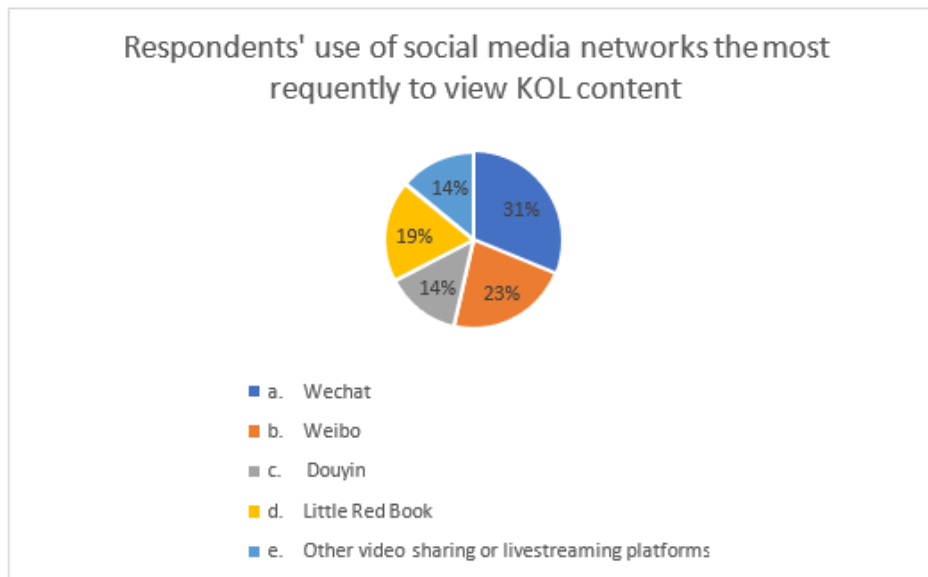
Figure 7. Whether respondents follow KOLs loyally to check and interact with KOLs regularly

Question 7 is raised to understand whether social media users participated in the survey have the regular behaviors to check the KOL content to show their loyalty to KOLs. This

question is designed to investigate whether fan economy exists among social media users towards KOLs. According to Hung (2020), in China, the fan economy has been growing as

an evident phenomenon in the Chinese society nowadays. It is critical to point out that whether there is loyalty shown among social media users towards KOLs can lead to the understanding of whether the influence of KOLs is significant. As shown in figure 7, it is viewed that 81% of the respondents check the KOL posts that they follow regularly, hence the loyalty among social media users and the KOLs can be well

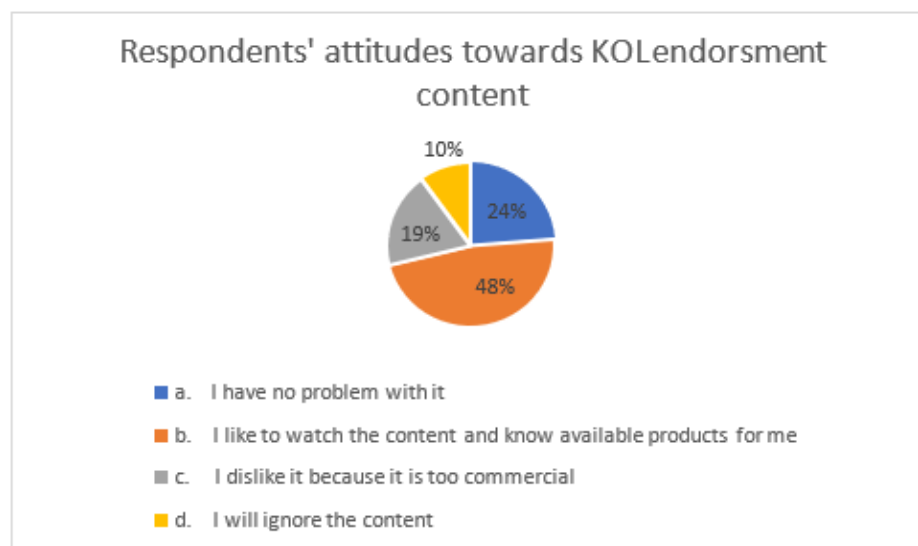
determined. The result shown in figure 7 proves that social media influencers can influence their followers effectively with the content that they post on social media networks. The result of the finding is consistent to the perception demonstrated in the prior studies in the chapter of literature review.



**Figure 8.** The most frequently used social media platforms to view KOL content

Social media KOLs are active on different platforms, which are personal and professional choices made. The most popular and earliest established social media networks are WeChat and Weibo. Hence, KOLs in the beginning occupy these two platforms to communicate with their followers. In the recent years, the emerging of other social media networks, including Douyin and Little Red Book, have gradually shared the market with their competitiveness demonstrated. The new social media networks tend to offer content in different

formats and to ensure that the communication style differentiated from WeChat and Weibo. According to the figure 8, it is viewed that 31% of the respondents chose WeChat, while 23% of them chose Weibo. The results suggest that WeChat and Weibo are still the most popular social media networks where KOLs show their content. However, it is also understandable that there are already social media users shifted to other new social media platforms.



**Figure 9.** Respondents' attitudes towards the KOL endorsement content on social media

In the literature review, there are different opinions demonstrates on the perspective of paid endorsement and sponsorship in KOL's social media content. Some product recommendation content of KOLs' is organic, which suggests that KOLs did not engaged with a paid deal with other brands. This type of content is authentic. However, as noticed that

KOLs in China has become a profession, and therefore it is important for KOLs to get profits by endorsing products or brands. In the literature reviews, regarding whether social media users would dislike the content of paid sponsorship, there are different opinions. Some scholars argue that social media users nowadays have no issues towards this type of

content, while others point out that social media users have grown their consciousness towards the paid endorsement, and they may not trust the content. Hence, it is critical to leverage a primary research in the Chinese context to examine the attitudes of the social media users.

As indicated in figure 9, it is viewed that 48% of the respondents like the content of endorsement, as they perceive that through KOL endorsement, they have access to more information about new products. For brands in China, influencer marketing strategy has been widely used to promote products or brands, therefore, it is perceived that KOL endorsement is commonly seen. As explained, followers of KOLs have loyalty towards the KOLs, which indicates that they may show support to the content as well. 24% of the

respondents chose the option that it is not a problem for them, though they did not specify any emotional. These respondents tend to hold a neutral attitude toward this subject. 19% of the respondents point out that KOLs' product endorsement content can be too commercial and therefore they dislike the content. 10% of the respondents choose to ignore this type of content. Based on the result, it is viewed that whether the respondents as social media followers will support the product endorsement content of KOLs may depend on the format and frequency of posts. If KOLs only post endorsed products, their followers may dislike the content, as they are too commercial. Hence, it depends on KOLs' content and styles.

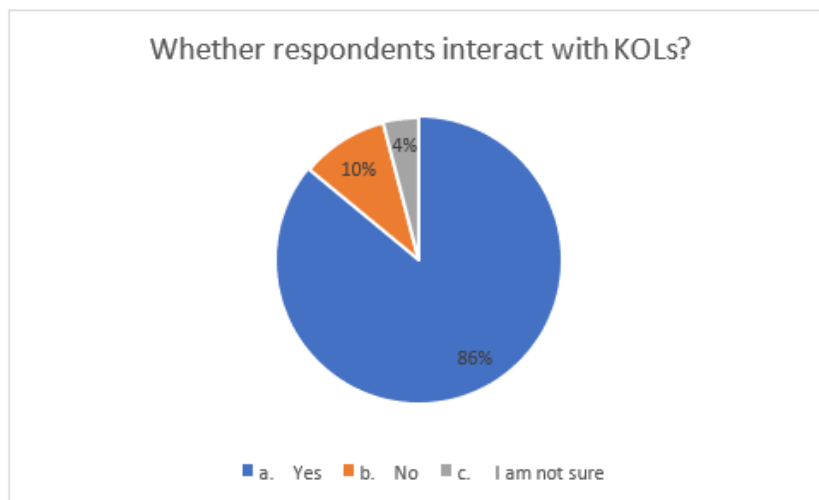


Figure 10. Whether respondents of the survey interact with KOLs

According to the literature review, the differences between celebrities and KOLs is the interactivity. In the definition of influencers and the development of influencer marketing, both KOLs and celebrities can be determined as influencers (Hung, 2020). However, regarding the difference, this research intends to investigate through the perceptiveness of social media users and to understand whether they interact with KOLs regularly. Through the presentation in figure 10, it is noticed that 86% of the respondents regularly interact with KOLs through commenting and likes. The development and popularity of social media networks make it easier for social media followers to interact with KOLs, which explains

how the distance between KOLs, and social media users can be reduced. Interactivity is an important feature on social media networks in the media study. The traditional media do not allow individuals to interact with the content and content posters. As on social media, interactivity is allowed, therefore it is perceived important to understand the impacts of the interactivity. In social media, virtual communities were built up based on the shared interest of the users, the followers on social media networks tend to demonstrate their virtual community through linking the individuals that they are interested in.

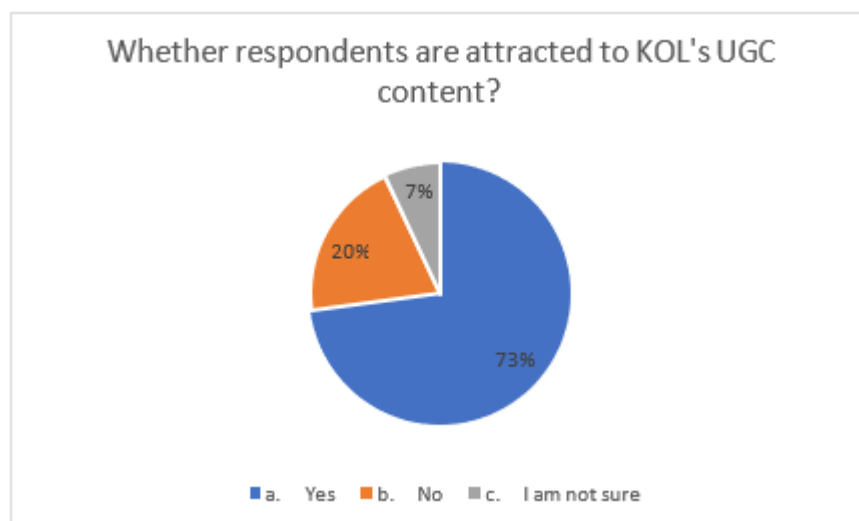


Figure 11. Whether respondents are interested in KOL's UGC content

Web 2.0 technology allows the UGC and interaction on social media networks, which explains how social media KOLs grow from grassroots users to influencers. KOLs usually show a differentiated style and creativity on the content development, especially due to the fact that they leverage the content to attract followers. Whether social media users are attracted to the KOLs' UGC content compared with other individual social media users is an important perspective to investigate in this research. According to the result shown in figure 11, it is understandable that 73% of the respondents find the UGC shared by KOLs on social media attractive. It is important to point out that when social media users find KOLs' content interesting, they will then follow KOLs in order regularly

access to the content.

KOLs' UGC and brand advertising content are usually very different. KOLs' content tend to show their personal inputs in the content. In KOL product endorsement, KOL will explain the product features from a personal perspective and to make it easier for consumers to understand. As endorsers, KOLs can provide more details of the products leveraging the different formats of content. In the designing of question 12, it is perceived necessary to investigate respondents' perception over KOL endorsement comparing to brand advertising. Through comparing the attitudes of social media users towards KOL endorsement and brand advertising, it is then possible to determine the value of KOL endorsement content.

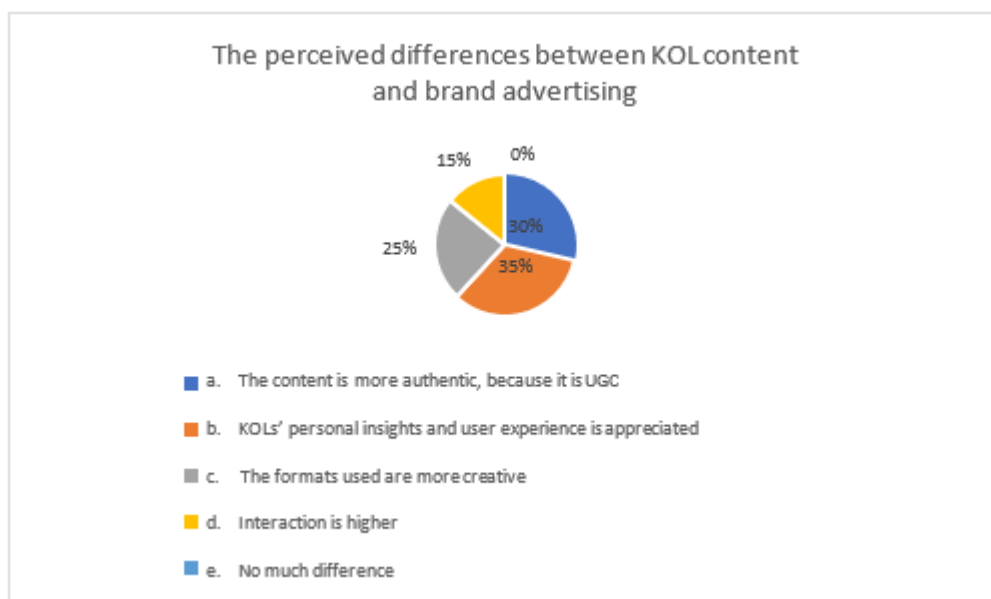


Figure 12. Respondents' perceived differences between KOL content and brand advertising

According to figure 12, it is viewed that 35% of the respondents appreciate KOLs' personal insights and user experience shared in their content. 30% of the respondents perceive that the content shared is more authentic than advertising. 15% of the respondents point out that the interaction between social media users and KOLs is higher. As no respondents choose the option of "no much difference", all of the respondents agree that the KOL content and brand advertising are very different. The result of the discussion offers the critical insights about the value of KOL

endorsement as well. KOLs tend to use a personal identity to interact with social media followers, which is important especially due to the fact that social media users show more trust in the KOL content. The finding offers the view that brands nowadays need to leverage the advantages and strengths of KOLs' expertise in the marketing activities. Brand advertising is mainly effective to maintain the brand image, and therefore it is critical to facilitate the KOL endorsement to complement the brand advertising in the marketing strategy.

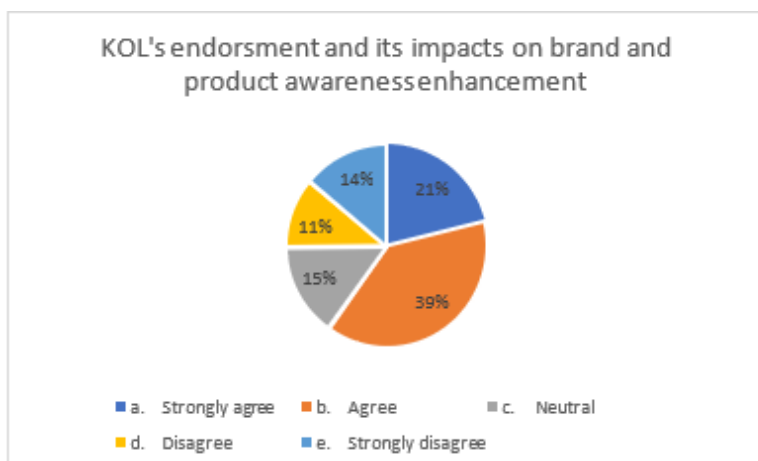


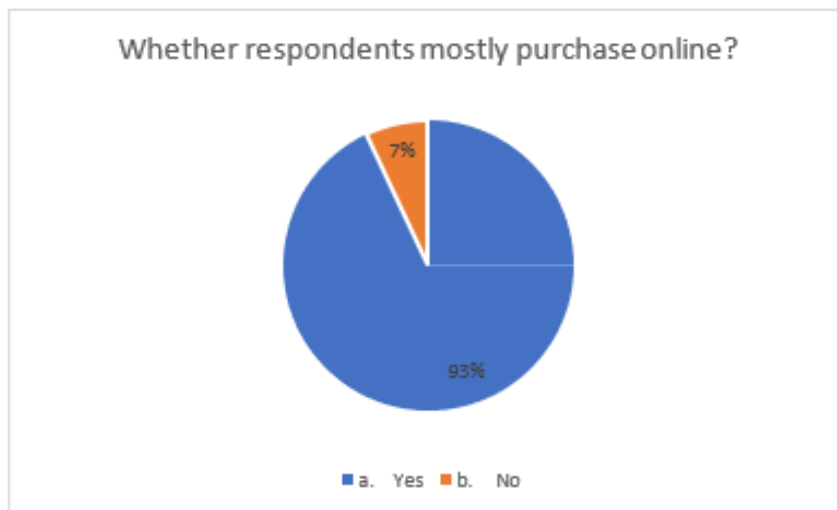
Figure 13. The perception over KOLs' impacts over product and brand awareness enhancement

As influencer marketing strategy has been adopted for brands, it is necessary to investigate from the perception of social media users in order to understand whether it is effective for brands to leverage KOL endorsement to achieve communication results in brand awareness and product awareness enhancement. Regarding consumer purchase intention and decision making process, it is pointed out in the literature review that attitudes and awareness of consumers play an important role to influence consumers' purchase intention (Montano & Kasprzyk, 2015). This finding therefore justifies the importance of enhancing brand and product awareness for brands. Question 13 is raised to respondents in order to understand their perception of whether KOLs have the competence to enhance brand and product awareness. 39% of the respondents agree with the positive impacts of KOLs on brand and product awareness enhancement, while 21% of them strongly agree. Besides, it is critical to point out that 25% of the respondents are not convinced of the positive impacts that KOLs have in enhancing brand and product awareness. The findings suggest

that it is critical to ensure that the selection of KOLs fit the brand image and expectations. The reason why some of the respondents do not agree with the positive impacts that KOL endorsement can bring for enhance brand and product awareness in the market may be associated with the misfit between the brands and the selected KOLs for brand endorsement. According to a recent case of Louis Vuitton, its livestreaming program on Little Red Book is perceived negative, since consumers generally perceive that luxury brands maintain a high brand positioning in their communication practices (R. Zhang, 2020). For a luxury fashion brand, KOL endorsement needs to be strategically planned and to ensure that the selection of the KOLs fits the perception of the respondents.

#### 4.1.3. Social Media Users' Purchase Behaviors

In this part of the findings and analysis, the focus is to explore association between respondents' purchase behaviors with their social media use and perceived influence of KOLs in China.

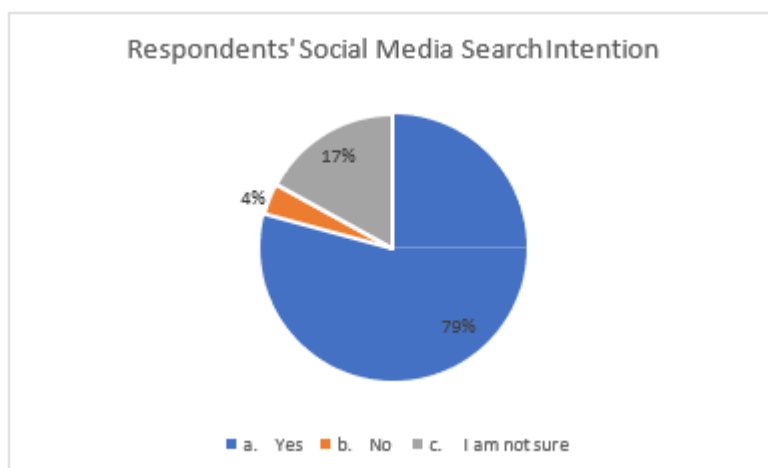


**Figure 14.** Whether respondents mostly purchase online

The availability and popularity of the Internet boosts the growth of e-commerce in China. It is necessary to point out that the emergence of Alibaba has effectively changed consumers' purchase behaviors and perception. According to Z. Yang, Shi, and Yan (2017)'s study points out that Alibaba in China owns the power to influence consumer behaviors through its e-commerce website constructed to support individuals' shopping without concerning the security and payment issues. Question 14 is therefore designed to investigate whether respondents recruited for this research have mostly purchase from online, as it is critical to ensure that their consumer behaviors are associated with the

phenomenon of KOL influence and effects. 93% of the respondents rely on online shopping, while only 7% of them do not purchase mostly online.

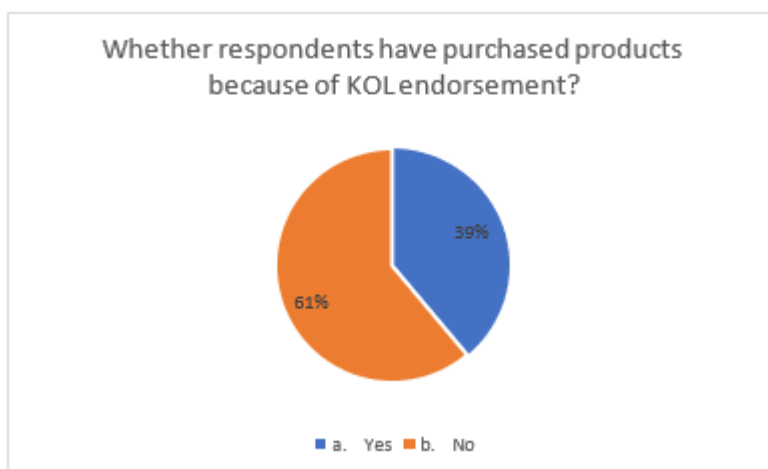
With the availability of the Internet, search engine like Google and Baidu, has been perceived important for individuals, since information search can be easily completed on these search engine sites, In the recent years, as social media grow rapidly and the media use behaviors of people have been shifted to social media domain. Question 15 in the questionnaire is designed to investigate whether respondents of the survey have grown their search behaviors on social media.



**Figure 15.** Respondents' social media search intention

According to the result shown in figure 15, it is noticed that 79% of the respondents include information that the search from social media into purchase decision. According to the consumer decision making process, it is viewed that need recognition is the first stage to initiate the purchase decision process. Content social media users have access to on social media can drive their intention to purchase. For example, if there is promoted products on social media, their awareness towards the products and brands will increase, which leads to

personal preference. The following stage in the purchase decision making is information search. The availability of social media nowadays for consumers is considered an expansion of information channel. The response to question 15 suggests that respondents take proactive search on social media and to include the information into the purchase decision making process. To some extent, it can be asserted that social media are also search engines where customers search information from.



**Figure 16.** Whether respondents have purchased products because of KOL endorsement

In order to examine the influence of KOLs on consumer purchase intention question 16 is asked to the survey respondents. The aim of this question is to investigate whether respondents follow KOLs' endorsement. The results shown in figure 16 indicates that 39% of the respondents have had the experience of purchasing products because of KOL endorsement. Although 61% of the respondents did not directly purchase products because of KOL endorsement, it is positive to see that 39% of them have the motivation to take KOL endorsement as an option in making purchase decision. It is also necessary to mention that in the consumer decision making process, information collection and evaluation stages are critical to lead to the following stage of purchase. For 39% of the respondents, their information collection and evaluation benchmarks the product popularity following KOL endorsement.

From the results of investigation presented above, it is

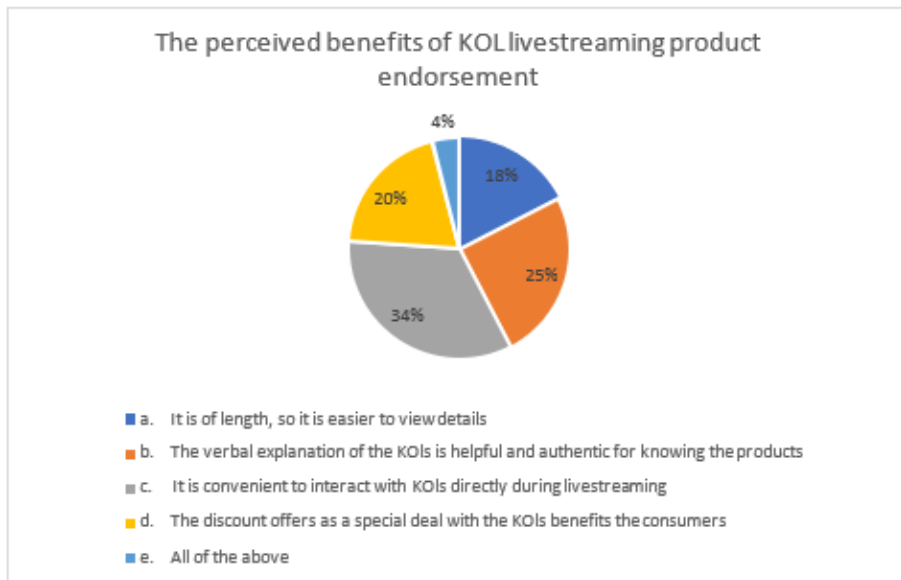
understood that KOL endorsement on social media is an important influential factor for consumers to make their purchase decision. Respondents participated in the survey admitted that social media networks now play an important role to influence their information collection method. As for KOL endorsement content, already some of them confirm that KOL content is important.

#### 4.1.4. Consumers' Perception of KOL Livestreaming

In China, livestreaming is now a new format for KOLs to use. Cunningham et al. (2019)'s market study report provides insights that livestreaming is nowadays a new communication format that KOLs are engaged in China. The popularity of livestreaming in China with the commercial purpose of product recommendation started in 2018, when grassroots influencers started to use this format to show products to audiences. From the content, KOL livestreaming is similar to TV shopping, as the hosts of the streaming will present

several products during the filming directly to audiences. However, livestreaming is on live, which indicates that audiences can directly interact with the KOLs and receive responses directly. Besides, in terms of the content and language used in the livestreaming, it is young and dynamic, since popular language is used. The most successful KOLs of livestreaming in China are Weiya and Li Jiaqi, who have now demonstrated the power to persuade livestreaming audiences

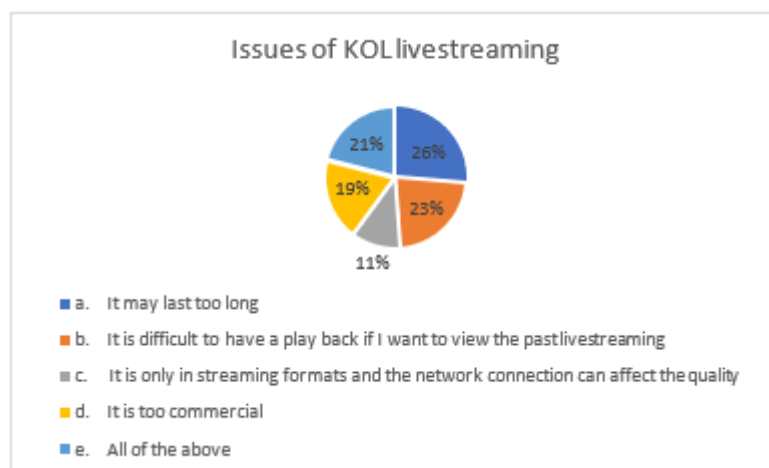
to purchase directly from e-commerce platforms with the product purchase links inserted in the livestreaming platform. In this section, consumers' perception of KOL livestreaming is investigated. The purpose of this section is to understand whether KOL livestreaming has its influence over research respondents. It is a new communication format that social media users encounter nowadays, which serves new experience for social media users.



**Figure 17.** The perceived benefits of KOL livestreaming product endorsement

Question 17 is designed to investigate the perceived benefits of KOL livestreaming product endorsement. As KOL livestreaming is a popular new format of KOL content shared to social media users, it is therefore necessary to examine whether there are benefits that users obtain. As shown in figure 17, 34% of the respondents point out that livestreaming is a convenient communication format between KOLs and social media users, as livestreaming is released in real-time, interaction between social media users and KOLs can be conducted easily. Besides, regarding the product endorsement, audiences may have questions about products, while KOLs can respond directly in the livestreaming. Brand interaction has its limitation, especially with brand advertising. In this sense, KOL endorsement in the format of livestreaming complement the limitation of brand advertising. 25% of the respondents agree that the verbal explanation of KOLs in livestreaming is important for them to know better the

products. According to personal experience viewing the livestreaming of the most famous KOLs, it is noticed that they orally explain the features of products with emphasis, which makes it easier for livestreaming audience to remember the benefits of the products. 20% of the respondents prefer to receive discounts for the endorsed products. Porter (1985) points out that customers are generally sensitive to price factor, and therefore it is critical to leverage customers' sensitivity of price to drive business performance. Brands offer special price for KOLs in their livestreaming, which is a strategy that brands adopt. 18% of the respondents point out that as livestreaming is usually offered in length, they can have access to more information. Generally, from the results of question 17, it is noticed that respondents appreciate the benefits of KOL livestreaming, while the benefits are well determined.



**Figure 18.** Issues of KOL livestreaming

Question 18 aims to investigate limitation of KOL livestreaming. 26% of the respondents point out that KOL livestreaming is too long. Compared with other formats of content, livestreaming can go on for several hours, while audiences may not be patient to finish livestreaming. 23% of the respondents point out that if they miss the livestreaming, it is then difficult for them to play back. The issue is that livestreaming is often conducted to support brands' promotional activities and campaign. Hence, it is also time bound. 11% of the respondents point out that the quality of

the connection to the networks of their mobile phone can affect the watching experience. Livestreaming is usually conducted on mobile applications on social media networks. This indicates that audiences need to use their mobile networks or WIFI to view the content, while the network quality is a determinant to the experience. 21% of the respondents point out that all the mentioned limits exist. The finding in figure 18 suggests that the nature of livestreaming format has its issues.

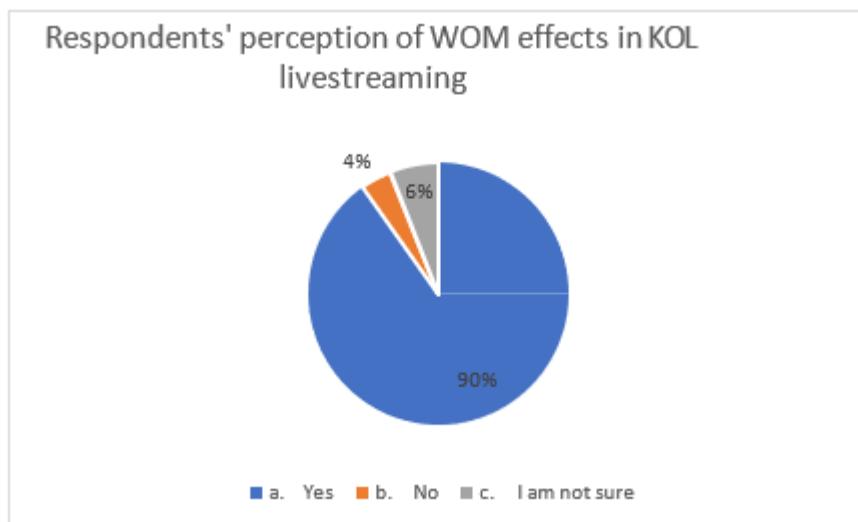


Figure 19. Respondents' perception for WOM effects in KOL livestreaming

Question 19 serves the purpose to ask whether the respondents recruited in the survey observes the WOM effects in the KOL livestreaming format. It is critical to investigate this perspective, as in the literature review, WOM is an important feature determined on social media networks and

influencer communication. WOM effects also determine whether KOL endorsement influences consumer purchase decision. 90% of the respondents agree that there is WOM effects in KOL livestreaming. KOLs' recommendation of products in the livestreaming plays an positive role to influence audience's awareness of the products.

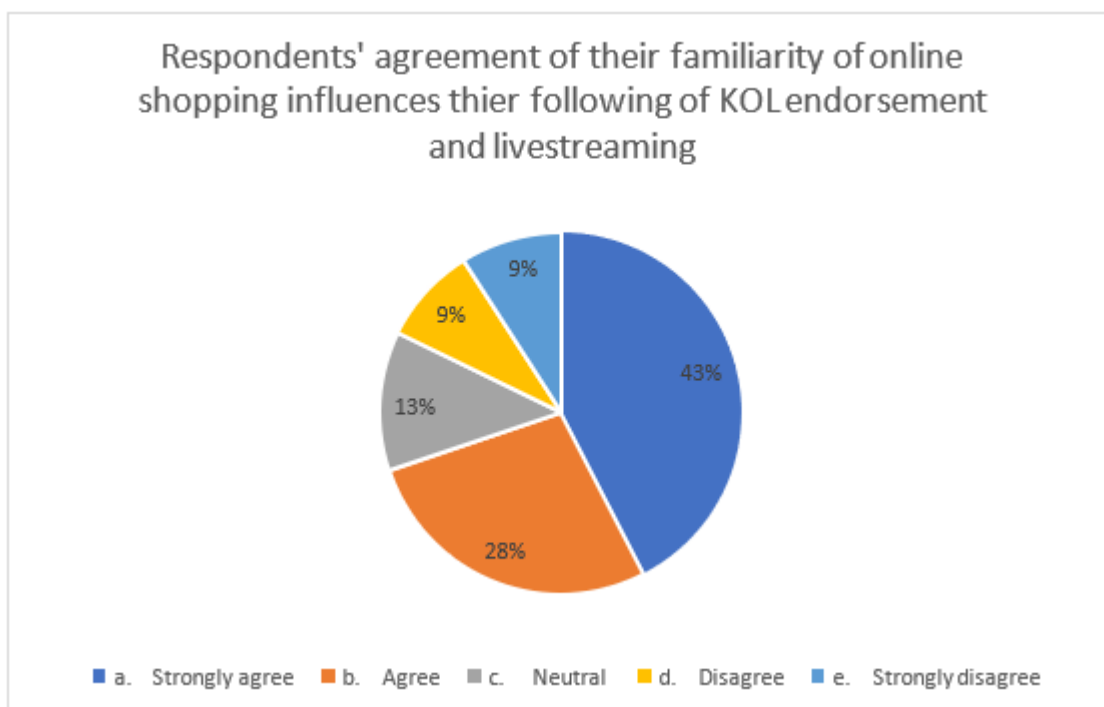


Figure 20. Respondents' agreement of their familiarity of online shopping and its relationship with their appreciation of KOL endorsement and livestreaming

For KOL livestreaming, respondents can be redirected to social commerce, e-commerce sites and offline stores. However, the most direct link is still online platforms where social media followers can directly purchase products following KOL recommendation. In total, 71% of the respondents participated in the survey agree that since they are familiar with online shopping. This indicates for those social media users who frequently shop online, it is easier for them to have the intention to follow social media livestreaming.

#### 4.2. Interview Results Analysis

Aiming to explore depth from primary research, it is planned for this research to use the research method of interview on KOLs in China to explore their experience. The targeted interviewees are those who have used livestreaming

on social media in China to endorse products and brands. They are expected to provide insights originated from their experience in communicating with social media followers and brands to support the research. The sample size is 4, as it is challenging to get in touch with more KOLs who are using livestreaming method to endorse products and brands. Some KOLs that the researcher contacted refused to participate in the research, because they perceive that their practices and strategies should be confidential. Although the sample size is small, it is perceived more important to explore depth through the answers that the four KOLs offer. Following the principle of anonymity, the four interviewees who participated in the survey will be labelled as interviewee 1, interviewee 2, interviewee 3 and interviewee 4 to protect their privacy and identity.

**Table 1.** KOLs' work experience and categories of content

Interviewee	How long have you been working as a KOL?	What social media platforms you are most active on?	What type of content do you deliver usually?
Interviewee 1	5 years	WeChat, Weibo, Little Red Book, Lvzhou, Doyin	Fashion styling, lifestyle, interior design
Interviewee 2	3.5 years	Weibo, Douyin, Little Red Book	Fashion tips, make up tutorials
Interviewee 3	6 years	WeChat, Weibo, Little Red Book, Douyin	Fashion styling, lifestyle
Interviewee 4	2 years	Douyin, Little Red Book	Cooking tips, lifestyle

Question 1 in the interview is raised to investigate the work experience, use platforms, as well as the categories of the content. The longest working experience belongs to interviewee 3, as interviewee 3 has been working as a KOL for 6 years. The working experience of these KOLs is firm, which suggests that these KOLs are good candidates for this research. Regarding the social media platforms that they are currently using, as shown in Table 1, all these four

interviewees are currently running multiple social media platforms. Meanwhile, it is noticed that WeChat, Weibo, Little Red Book and Douyin are the most popular social media networks in China, since all the interviewed KOLs are on these platforms. The categories of the content that these four KOLs release are also provided. It noticeable that most of the KOLs are on fashion styling and lifestyle.

**Table 2.** The reasons why the interviewees have chosen to become a professional KOL?

Interviewee	How do you come do with the idea to become a professional KOL?
Interviewee 1	I was interested in posting my own fashion style on social media networks, in the beginning on Weibo. Then I found my followership continued to increase after 6 months. After the numbers of followers on Weibo reached 200,000, I decided to become a professional KOL, especially when I received endorsement cooperation deals from some fashion brands. I then quitted my job in the bank and focused on creating interesting content for my followers and to help brands promote their products. My success on Weibo pushed me to explore new opportunities in other social media networks.
Interviewee 2	When I was in university, I grew the interest in fashion. After seeing fashion styling content and celebrity content, I had the idea that the profession of KOL could be promising for me to enter. Hence, after studying some successful cases, I decided to enter this industry.
Interviewee 3	I studied fashion in France, and I thought I would be working for luxury fashion brands after my graduation. In fact, I started to follow fashion bloggers when I was in university because I wanted to learn fashion trends. However, when I post content about fashion, I was also considered a good contributor, because I have learnt significantly from my school about fashion history and trends. After my social media account got a lot of followers, I decided to continue creating content and adopt new formats like Vlogs and livestreaming.
Interviewee 4	I started becoming a KOL in China on cooking, because it was my own interest. I found it interesting to provide cooking tips and tutorials. I have gained a group of followers, and I am able to provide regular cooking tutorials. In reality, I run my own cooking class, which was a job that links to my work as a KOL.

Interview question 2 is designed to investigate how the interviewees become KOLs. According to the industry study and literature review, KOLs in China generally start as grassroots social media users, while they become KOLs when

their opinions on certain areas are well appreciated. The sign of recognition of the KOLs' influence can be seen from the growth of followership. It is easy to understand that when KOLs' expertise is perceived useful and interesting, there will

be more social media users follow them on their social media accounts and expect to receive their content regularly. All these interviewees provide the similar experience that they grew from grassroot social media users. Personal interest was an important motive for them to enter the profession of KOLs in China. After they got influence on social media, they

decided to focus on working as KOLs. The finding from the answers provided to interview question 2 is consistent to the study of KOLs in China. It is pointed out that Chinese KOLs on social media are often from grassroot background (Allison, 2019).

**Table 3.** Interviewees' perception over the profession of KOL

Interviewee	Do you think KOL on social media is now a profession?	Why?
Interviewee 1	Yes	It requires skills, knowledge and ethics. Then KOLs also need to serve clients and audience to exchange with financial benefits.
Interviewee 2	In the beginning, I did not think it was a profession, but now I think it is	Not everyone can become a KOL, because KOLs need to have knowledge and influence in certain area.
Interviewee 3	Yes	As a profession, it means that KOLs need to be professional in the area where they work for.
Interviewee 4	Yes	It is a profession, because I need to commit and contribute my time and skills to satisfy the needs of the followers and clients.

Regarding the profession of KOLs, it emerged with the development of social media, while it is necessary to point out that whether it is perceived a profession among KOLs may influence social media influencers' attitudes and other KOLs' commitment in this profession. According to table 3, all these four interviewees agree that KOL is a profession. Interviewee 2 specifically points out that even though she did not perceive KOL as a profession, she now confirmed that KOL is a profession. All these four interviewees confirm that KOL is a

profession. This is because KOLs require individuals to demonstrate their skills, expertise and techniques, like any other profession. Besides, KOLs also exchange their work and contribution with financial benefits from clients.

Interviewee 1 specifically mentions ethics, which is an important subject to look into at work. Moreover, as stated in the answer of interviewee 4, it is mentioned that KOLs also need to deal with the needs of clients and followers and therefore they exchange their works with benefits received.

**Table 4.** Why do KOLs perceive that their UGC content is attractive to audiences

Interviewee	Why do you think that your UGC content is attractive to your audiences?
Interviewee 1	I provide authentic personal fashion tips. I will not recommend any products that I have not used before. My followers generally appreciate my experience especially due to the fact that I offer products in bargain price. I am promoting the idea that you do not need to spend too much to be fashionable. The content matters. In terms of the format, I started to do Vlog in 2019, and I found that those Vlogs attracted many new followers to my account. Moreover, I follow new trends in the market and to use new communication tools attract young followers.
Interviewee 2	I want to say that my content is unique. Because the creativity that I show in the video editing and photo editing to my followers is appreciated. Some followers asked me what filter of photo that I use, they really appreciate my style.
Interviewee 3	I present my learning in fashion industry and experience. My fashion style came from my observation in France as well, which is considered interesting.
Interviewee 4	My cooking tutorials are practical for social media followers to follow. The products that I recommend in the social media posts are authentic products that I tested before.

According to the answers that these four interviewees offer to the question of why they think the UGC content is perceived attractive to the audience, these KOLs offered their own opinions.

From the answers collected in table 4, it is viewed that all these four interviewees are confident about that the content that they create for the audience is useful and beneficial for them to enhance their living quality. Besides, authenticity is brought up. These KOLs mention that the content that they offer and the products that they recommended were authentic and of good quality, and therefore it is easier for them to gain

trust from social media users.

Social media livestreaming is a new communication format, for KOLs selected to participate in this interview, their personal experience is essential to help to understand the benefits and issues of livestreaming from their experience. Livestreaming is perceived as an effective communication tool according to the answers that the interviewees provide. However, regarding the challenge, KOLs point out that livestreaming is demanding for the KOLs to own the competence and skills to present in livestreaming. Besides, the content and quality can be challenged.

**Table 5. KOLs' perception of benefits and issues of livestreaming**

Interviewee	Benefits of livestreaming	Issues of livestreaming
Interviewee 1	I can present products to audience with details It is easy to communicate with audience with long explanation It can be either for commercial purpose or non-commercial	It is tiring, as it can last for hours It is a challenge to KOLs because KOLs need to be competent to verbally present products or a situation It is too commercial
Interviewee 2	It offers a new format for KOLs to communicate with followers It is more direct The communication will be perceived more authentic	- If KOLs are shy or not competent to use livestreaming, then the content will be in low quality
Interviewee 3	It is direct to show products It allows KOLs to communicate directly with followers	- It is challenging for KOLs to prepare all the products to show or interesting content, as it takes time
Interviewee 4	- It is effective for promoting products with this format	- It is too commercial, and the quality of the livestreaming can be challenged by the connection of mobile phones

**Table 6. Changes of social media users' attitudes towards livestreaming**

Interviewee	What are the changes of social media users' attitudes towards livestreaming?
Interviewee 1	In the beginning, the size of audience was small, and only a small portion of followers will purchase the products directly from my recommendation, but now they are loyal followers
Interviewee 2	Their trust in the content of livestreaming has been increased
Interviewee 3	My followers have grown the habits to view livestreaming every day
Interviewee 4	My followers like livestreaming content, as they perceive that the content offers useful information in detail

According to table 6, it is noticed that social media followers' attitudes towards the format of livestreaming has been changing. All the four interviewees provide the insights that there is a positive trend for the social media users to

embrace livestreaming. Social media users have grown their trust in the content of livestreaming, as well as the products recommended.

**Table 7. KOLs' perception of the fit of use livestreaming for their content positioning**

Interviewee	Do you think livestreaming format fits your positioning on social media?
Interviewee 1	Yes, for my content, it is important that I share with my followers how to pick the right fashion style with the selection of products. livestreaming helps me to show my fashion tips and skills.
Interviewee 2	Yes, I can show a tour for an interesting site or restaurant. It can be casual, and it is effective for me to show an authentic lifestyle
Interviewee 3	It is effective for me to show details and explanation in the format
Interviewee 4	Before the livestreaming, video was very useful, but livestreaming does not require editing, which is more authentic

Question 7 in the interview is meant for investigating the opinions of the KOLs about whether they perceive livestreaming fits their positioning. According to the answers presented in table 7, two of the KOLs perceive that livestreaming is useful to offer authenticity.

## 5. Chapter 5. Conclusion and Recommendation

### 5.1. Conclusion

This research project is conducted circling a hot topic in the Chinese social media industry, the emergence and development of the adoption of livestreaming among KOLs. KOL livestreaming refers to a format that KOLs take their time to present details about an experience or products in the streaming videos. Based on the research background in the development of the industry and the Chinese social media

landscape, the research is determined to investigate the perception and insights from two segments: social media users and KOLs who have used livestreaming to present content to followers.

Research question is developed based on the review of the current social media landscape: How does KOLs' livestreaming influence consumers' purchase behaviors in China?

Research objectives:

To investigate the Chinese consumers' attitudes towards the KOLs' endorsement content

To examine how KOL livestreaming influence Chinese consumers' behaviors

To identify the impacts KOL' endorsement content on brands' promotion and sales in China

To provide recommendations for brands to leverage KOL marketing to promote their products and services

In order to review the existing studies on social media and KOLs, the chapter of literature review is structured to facilitate the exploration of the opinions of scholars on these subjects. Social media is the base of the development of KOLs and KOL communication, hence the definitions and features of social media are reviewed. KOL endorsement is also defined, as it is a new and important concept used in this research. Features of UGC and eWOM are important to facilitate KOLs' information offering to audiences in the market. This research studies the influence of KOLs over consumers' decision making; hence, it is necessary to investigate how KOLs form their influence and power to influence consumers. It is confirmed that the perceived trustworthiness of KOLs are higher than official advertising. As for the effective e-WOM, it is also critical to ensure that KOL followers appreciate the content and value the information in their purchase decision process. As for the consumer buying behaviors, the motivation of purchase decision and the process of purchase decision making are reviewed. The research gap is determined in the literature review, because this research aims to investigate a novel suggest in the Chinese context, there are not enough secondary research offering the content for this topic. Hence, it is then important to collect primary data.

An online survey and interviews are conducted to support the data collection for this research and to find answers to the research question. From the interview on social media users, it is viewed that social media users are active social media users. They have grown a high level of trust in the KOLs that they like, which can be explained by the trustworthiness of the perception of followers. In terms of the interaction between KOLs and social media users, it is perceived high. The influence of KOLs on consumer decision making is also significant, since it influences the need recognition, information collection, evaluation and purchase process. From the interview results on 4 KOLs, it is noticed that all these KOLs perceive that livestreaming is an effective way to communicate with social media followers, while the competence of the KOLs is a concern.

## 5.2. Recommendation

For commercial brands, whether they should adopt the new format of KOL endorsement and present themselves in the KOL livestreaming remains an interesting subject to look into. Recommendations are offered to brands for them to develop their influencer marketing strategies and practices more effectively.

Firstly, it is important for brands to take the KOLs' positioning, competence and expertise in livestreaming into account. If a KOL cannot deliver high quality content, then the brand image and reputation will be affected.

Secondly, as noticed from the survey that KOLs are not perceived good fit to represent brands, while they are good at endorsing products. Hence, it is necessary for brands to careful position KOLs' role in helping the organization to promote their products.

Thirdly, the image of the KOLs should be taken into account. If the selected KOL cannot represent the brand and the products, social media users may not demonstrate interest in the content, because social media users are usually loyal to the KOLs. Criteria need to be made for companies to effectively manage the collaboration with KOLs.

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# Appendix

## Survey questionnaire:

1. Gender

- a. Male
- b. Female

2. Your age

- a. 18-24
- b. 25-29
- c. 30-34
- d. 35-39
- e. 40 and above

3. Your education level

- a. Highschool and below
- b. Bachelors' degree
- c. Masters' degree
- d. Doctorate degree

4. Your occupation

- a. Student
- b. Employed – junior position
- c. Employed-senior position
- d. Entrepreneurs
- e. Unemployed

5. How frequently do you have access to social media networks?

- a. Several times a day
- b. A few times a week
- c. A few times a month
- d. Once in a while in 3 months

6. How often do you watch KOL endorsement content on social media?

- a. Several times a day
- b. A few times a week
- c. A few times a month
- d. Once in a while in 3 months

7. Do you follow KOLs loyally and check their posts

regularly on social media networks?

- a. Yes
- b. No
- c. I am not sure

8. Which platforms do you most frequently interact with or have access with social media KOLs' content?

- a. Wechat
- b. Weibo
- c. Douyin
- d. Little Red Book
- e. Other video sharing or livestreaming platforms

9. How do you find the KOL endorsed content (product recommendations) on social media networks?

- a. I have no problem with it
- b. I like to watch the content and know available products for me
- c. I dislike it because it is too commercial
- d. I will ignore the content

10. Do you interact with KOLs on social media, such as commenting and likes regularly?

- a. Yes
- b. No
- c. I am not sure

11. Do you think the KOL's user generated content (UGC) is attractive you?

- a. Yes
- b. No
- c. I am not sure

12. What differenced features between KOL endorsed content and brand advertising? (Multiple options)

- a. The content is more authentic, because it is UGC
- b. KOLs' personal insights and user experience is appreciated
- c. The formats used are more creative
- d. Interaction is higher
- e. No much difference

13. Do you agree that KOL endorsement can improve brand

or product awareness?

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree
- e. Strongly disagree

14. Do you nowadays mostly purchase online?

- a. Yes
- b. No

15. When you search for information about products to buy, you tend to include information that you search from social media?

- a. Yes
- b. No
- c. I am not sure

16. Have you purchased products because they are endorsed by KOLs?

- a. Yes
- b. No

17. What are the benefits of emergence and popularity of the new format of livestreaming?

- a. It is of length, so it is easier to view details
- b. The verbal explanation of the KOLs is helpful and authentic for knowing the products
- c. It is convenient to interact with KOLs directly during livestreaming
- d. The discount offers as a special deal with the KOLs benefits the consumers
- e. All of the above

18. What are the issues of KOLs' new format of livestreaming?

a. It may last too long

b. It is difficult to have a play back if I want to view the past livestreaming

c. It is only in streaming formats and the network connection can affect the quality

d. It is too commercial

e. All of the above

19. Do you agree that word of mouth (WOM) effects are created with the livestreaming of KOLs when they are endorsing products?

a. Yes

b. No

I am not sure

20. Do you agree that since you are familiar with online shopping, KOL endorsement and livestreaming have become easy to follow?

a. Strongly agree

b. Agree

c. Neutral

d. Disagree

e. Strongly disagree

## **Interview questions with KOLs:**

1. How long have you been working as an KOL, what platforms that you are most active on, and what content do you usually deliver?

2. How do you come do with the idea to become a professional KOL?

3. Do you think KOL on social media is now a profession? Why?

4. Why do you think that your UGC content is attractive to your audiences?

5. Regarding the new format of livestreaming, what are the benefits and issues?

6. What are the changes of customers' attitudes towards livestreaming?

7. Do you think livestreaming format fits your positioning on social media?