

The Trend of B2B Live Streaming in China's Cross Border E-commerce under the Impact of COVID-19

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Abstract: Affected by COVID-19, the global import and export trade is facing great challenges. However, according to the data, in 2020, China's cross-border e-commerce retail exports rose against the trend, and a new B2B live streaming trend emerged. In recent years, live broadcast e-commerce has achieved good results in China's B2C market. In the first half of 2020, the transaction scale of live streaming e-commerce reached 456.12 billion Yuan, exceeding the annual scale of 2019. The popularity of B2C live streaming has also affected the B2B field, but there are still some differences between them. Through investigation, observation and other methods, this paper analyzes the trend of B2B live streaming in China's cross-border e-commerce and puts forward some suggestions, hoping to open new channels of foreign trade communication for Chinese enterprises and facilitate online transactions.

1. Introduction

With the development of online shopping, mobile communication, modern logistics and other technologies, in recent years, China's cross border e-commerce has shown a sustained growth trend, as we can see in Figure 1. However, since this year, with the spread of the COVID-19 epidemic in the world, the foreign trade industry has been greatly impacted from production to logistics. Thanks to the digitalization, multilateralization and convenience of "cloud economy"^[1], In 2020, China's cross border e-commerce retail export volume will exceed 1 trillion Yuan, which will rise against the trend.^[2] However, offline communication forms such as exhibitions are still stagnant or will remain stagnant for a long time. Foreign trade and e-commerce enterprises are still faced with the challenge of opening external promotion channels. It will be a beneficial attempt to expand the influencer marketing from B2C to B2B.

2. Opportunities and challenges for China's cross border e-commerce under COVID-19

In 2019, the scale of China's cross border e-commerce market will reach 10.5 trillion Yuan, with a year-on-year increase of 16.7%. As the Belt and Road construction has been pushed forward, the RCEP agreement has been signed with great benefits, and the preferential policies of the state and local governments have been launched successively, including the establishment of 46 new comprehensive pilot zones for cross border e-commerce.^[3] The export of cross border e-commerce retail products in the region is exempt from VAT and consumption tax according to the regulations, which has provided strong support for the sustainable development of cross border e-commerce and other new forms of business.

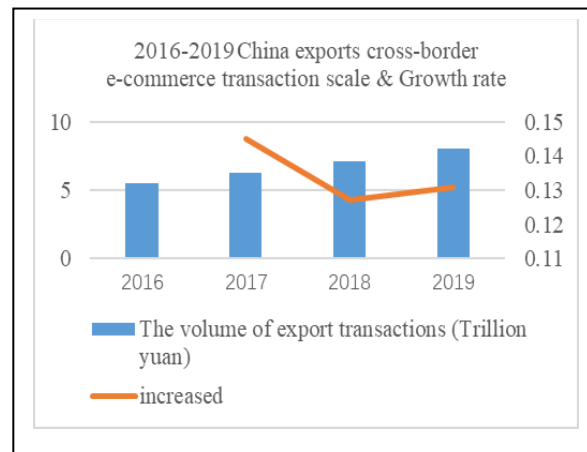


Figure 1 2016-2019 China exports cross-border e-commerce transaction scale & Growth rate

Even affected by the epidemic, the overseas demand for some commodities in China is still growing significantly. According to the report on consumption trend of cross border export market in 2020 released by CBN Business Data Center, the growth of household appliances, household products, Chinese style clothing, domestic cosmetics and skin care brands is obvious, and there is market demand for overseas consumption.^[4]

However, under the influence of the epidemic situation, the reduction of export orders of some foreign trade enterprises resulted in overstock of goods, cross border control led to logistics obstruction, and increased transportation costs in quarantine link. As a result, some small and micro businesses are facing the dilemma of declining sales or even suspension of production.

Among them, the cancellation or postponement of offline exchange activities such as conferences and exhibitions, business visits and other offline exchange activities has greatly affected the development of cross border e-commerce business, making it difficult for some enterprises to open channels for external promotion and become the biggest obstacle to trade activities. It coincides with the rise of influencer marketing in 2020, which makes us see the possibility of cross border commerce entering 4.0 stage.

In 2020, the Canton Fair will be "moved to the cloud" for the first time in history. Explore a new mode of two-way trade exhibition with online publicity and offline support. In the face of the live streaming outlet, some small and medium-sized enterprises are still limited by the pressure of technology, traditional industrial chain and cash flow. To a certain extent, there are difficulties in promotion, forcing cross border e-commerce enterprises to clearly understand the development trend of cross border e-commerce B2B live streaming mode, make more attempts to open up external communication channels, so as to broaden their sales channels.

3. Insights from the B2C live Streaming outbreak under the epidemic

In the first half of 2020, the transaction scale of live streaming e-commerce reached 456.12 billion Yuan, exceeding the annual scale of 2019. Due to its high level of preferential policies, live streaming e-commerce can significantly promote unplanned shopping, enabling enterprises, platforms, consumers, network hosts and other parties to achieve a win-win situation.

In the past two years, with the promotion of capital and the tilt of platform traffic, the live stream e-commerce has developed rapidly. In addition, there have been some top webcast hosts such as Viya and Austin with a single sales volume of more than 100 million Yuan. Because of influencer marketing, consumption under the epidemic has not stagnated, and even formed new consumption habits, which has spread the popularity of live streaming e-commerce from B2C to B2B, but there are some differences between the two, as we can see in Table 1.

Table 1 Differences between B2C and B2B live streaming

Table Head	Differences between B2C and B2B live streaming		
	<i>Content</i>	<i>B2C Live Streaming</i>	<i>B2B Live Streaming</i>
1	Target consumers	Individual consumer	Businesses
2	Platform	Taobao Tiktok JD,etc.	1688 Tmall Global, etc.
3	Webcast host	Lots of webcast host. MCN institutional investment to create the head anchor, has formed a personal brand effect.	There are relatively few webcast host, and different regions have different language requirements for Live streaming.
4	Product	The majority of products are finished products, and consumers are familiar with them.	Semi-finished products and parts, some need professional introduction.
5	Service	After-sales service Is relatively simple.	After-sales service is relatively complex.
6	Trading volume	Trading volume is single or several pieces, the relative quantity is small.	Many pieces, the relative quantity is large.
7	Bargain	Bargain is less, have silent orders.	Almost every order will bargain.
8	Recommend	Consumers are more willing to recommend to friends	Buyers are less willing to recommend to peers
9	Competitive	Price promotion is fierce, and the head Webcast host have t advantages.	Pay attention to the price while paying attention to the comprehensive strength of the enterprise, there are competitors disguised bottom business data

4. B2B live streaming trend of cross border e-commerce in China

B2B cross border e-commerce platform is mainly engaged in the exchange of products, services and information between foreign trade enterprises through the Internet. In china, representative enterprises include Alibaba, “China. cn”, “Made-in-China”, “DHgate.com”, “China brands”, “global sources”, etc.

At present, Alibaba Group is focusing on the layout of B2B live streaming. Since the first B2B live broadcast on March 24, 2020, Ali International Station has successively carried out many large-scale live streaming activities, such as 608 Online Fair and 630 Industrial Belt live streaming. Through B2B live streaming, international buyers can intuitively and vividly understand the features of the products and the scenery of the place of origin. Consumers can interact with the network hosts in a timely manner, they can quickly answer questions and improve communication efficiency. Moreover, it can place orders immediately through cross border e-commerce platforms to complete transactions, and create higher conversion rates and marketing effects.

On April 28-30, 2020, the "1688 global origin hi broadcast – Wenling live streaming festival"^[5] was held in Wenling city, Zhejiang province, which helped enterprises develop the market through the Internet and help them realize digital operation by means of interactive offline summit, "web celebrity" with goods, business live streaming and online promotion, etc.

Through investigation and research, the following trends have emerged in China's cross border e-commerce B2B live streaming at present:

4.1 Live streaming by foreign webcast hosts

Different from traditional cross border e-commerce text and picture communication, live streaming requires higher language ability, and foreign webcast hosts have obvious advantages. At present, foreign network hosts with good interactive effect of live streaming are media professionals. For example, the network host Friebe, who is from Canada and can speak many languages, is also a magazine writer.

At present, major platforms have also begun to set up live bases at different countries, employing local webcast host to live streaming.

4.2 Live streaming the production site and process

In addition to the live display of finished products, B2B buyers also value the production environment and management of enterprises. Under the premise of not involving core secrets, production tracking follow up and interview can show the strength of the enterprise and promote the signing of orders.

4.3 Live streaming of professional news interview

The number of online viewers of B2B live streaming is far less than that of B2C, which is likely to cause a cold reception and no comment interaction. Therefore, the news Q & A interview conducted by the network host and the enterprise can effectively display the highlights and transmit the brand information.

4.4 The combination of live streaming and short video insertion

In B2B live streaming, brand promotion, aerial video and product animation can be inserted for better enterprise display. However, the most important thing for live streaming is interaction, which requires to grasp the timing and frequency of the interlude.

4.5 Professional team guidance

Unlike B2C fixed stand-alone live streaming, B2B live streaming often sets up multiple stands for better enterprise display and performs lens switching to achieve the optimal effect, but the cost will also increase accordingly.

5. Suggestions on B2B live streaming for China's cross border e-commerce

In light of the trend of B2B live streaming in China's cross border e-commerce under the impact of COVID-19, the following suggestions can be taken into consideration:

5.1 Select quality platforms to carry out cross border E-COMMERCE B2B live streaming

There are many cross border e-commerce platforms, but few focus on live broadcasting. At present, cross border e-commerce companies of Ali are actively promoting B2B live streaming. If live streaming is conducted on such platforms, more traffic support will be provided. Of course, it is also possible to broadcast live on multiple mobile phones and platforms at the same time to get more display.

5.2 Use foreign webcast host to conduct joint live streaming

Joint live streaming generally has many commodity links from different enterprises, according to a single link to calculate the cost. Small and medium-sized businesses can consider this method to solve language problems and reduce costs. We need to select foreign webcast hosts with excellent product explanation ability and live streaming marketing ability. Advantages and disadvantages between joint and Special performance live streaming, we can see in Table 2.

Table 2 Comparison of advantages and disadvantages between joint and Special performance live streaming

Table Head	Advantages and disadvantages between joint and Special performance live streaming	
	Joint live streaming	Special live streaming
Advantages	Abundant commodities Webcast hosts have a fan base The cost is relatively cheap Easy to effect statistics	Highlight your brand Be able to carefully design live content Convenient for enterprises to display
Disadvantages	Difficult to highlight a single brand	Relatively high cost Fewer people watched the live streaming

5.3 Build own live streaming to make it normal

Under the situation of continuous epidemic, if you want to make the cross border e-commerce B2B live streaming well, it will become the growth point of enterprises. We can consider setting up a live streaming team, using the internal personnel of the enterprise as the network host to introduce the raw materials, technology and application scenarios of the products. In addition, enterprise data labels should be formulated to facilitate the matching and promotion of the platform.

To build own live streaming team, we can first try to build a simple team structure, as we can see in Figure 2. There are mainly three jobs: one is marketing planner, the other is webcast host and the third is operators. The marketing planner is responsible for the director and field control. The webcast host may have three except the host live streaming, there also have deputy host and assistant. The operation is mainly responsible for the operation of products and activities.

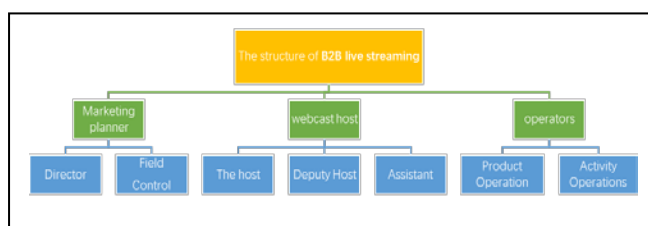


Figure 1 The normal structure of B2B live streaming

Second, we can consider cooperating with universities to combine work with study and even develop "order classes". The cooperation can let the enterprise, according to their own needs, to carry on the talent training. During the school period, students could learn about cross-border e-commerce platforms required by enterprises, master the skills of live streaming and have simple live streaming practice. Cross-border e-commerce has become one of the new majors, including Zhejiang Foreign Languages University and other universities that have been approved to offer the major, according to the Ministry of Education's Catalog of Undergraduate Majors in Institutions of Higher Learning (2020 edition)^[6], which was released in 2020. This means that the major of cross-border e-commerce is moving from vocational education to higher undergraduate education. At present, Alibaba has also carried out cross-border e-commerce live streaming talent training with universities.

5.4 Respect cultural differences and conduct cross-cultural experiential live streaming

In the process of B2B live streaming, cross border e-commerce enterprises should conduct corresponding live streaming for customers from different cultural regions, which should conform to their schedules and behaviors. Select similar scenes and characters for live experiential live streaming, the effect is better.

Currently, famous cross-border e-commerce B2B Live streaming is available, including Ali Express, Gravy, Lazada, Bulbul, Amazon, Shopee, etc. As we can see in Table 3. They each have their own business focus areas, and can select suitable webcast host according to the main cultural groups of the platform to carry out live streaming of different contents.

Table 3 A well-known platform for cross-border e-commerce B2B live streaming and its opening time^[7]

Table Head	Platform for cross-border e-commerce B2B live streaming and its opening time		
	Opening time	B2B live streaming platform	Main Business Area
1	2017.3	AliExpress	China, Global
2	2018.3	Gravy.Live	USA
3	2018.11	Lazada	Southeast Asia
4	2018.12	Bulbul	India
5	2019.2	Amazon	USA ,Global
6	2019.3	Alibaba Global	China
7	2019.6	Shopee	Southeast Asia

5.5 Attach importance to B2B live streaming after-sales service

Live streaming ends, after-sale does not end. It is necessary for enterprises to train talents, improve operation ability, marketing ability, and foreign language customer service ability.

To sum up, under the circumstances of the global spread of COVID-19 and the obstruction of traditional offline foreign trade, B2B live streaming of cross border e-commerce provides a convenient and safe foreign trade outlet for Chinese enterprises. The year 2020 is not only a year of explosive growth of B2C live streaming e-commerce, but also a year of overseas layout of cross border e-commerce B2B live streaming. According to their own conditions, enterprises can seize the policy of cross border e-commerce B2B export pilot, carry out live streaming attempts, realize digital transformation and upgrade, and seize the opportunities of the new wave.

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