

Information Asymmetry in Webcasting with Goods and Strategies to Solve It

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Abstract: This paper aimed to study the information asymmetry and its causes in the special online shopping method of live-streaming with goods and give related suggestions. A questionnaire was distributed to collect information about consumers' situation in live-streaming with goods and analyze the relevant data. It was found that respondents were not confident about the quality of products on live-streaming platforms, and not satisfied with current situation of live-streaming, Additionally, most consumers had received goods that did not match the description and were skeptical about the character settings of anchors in live-streaming platforms. It is important to strengthen the quality control of goods in live-streaming, improve the identity authentication of anchors, and encourage consumers to consume rationally.

Keywords: information asymmetry, live broadcast with goods, customer satisfaction

1. Introduction

With the development of modern society, Internet technology has becoming more mature, online shopping has become a favorite shopping method for consumers, live with goods which has developed very rapidly in recent years. However, in online shopping because consumers are unable to observe and use the products in field, information asymmetry occurs. A large amount of literature have discussed the information asymmetry phenomenon in online shopping and some of the problems of live-carrying platforms, but few studies have systematically investigated the phenomenon in the specific online shopping method of live-carrying and its causes and effects on consumers and solutions [1-3]. In this paper, conducted a questionnaire to, collected data and investigate the relevant issues.

2. Literature Review

China has the world's largest number of online consumer groups, and in recent years, China's live-streaming industry has been developing rapidly, with many industries closely integrated with live-streaming. However, there are also many real problems, such as: tax evasion by anchors, traffic falsification, false propaganda advertising, uneven product quality, price fraud, difficulties in consumer rights protection, lack of supervision There are many information asymmetries in e-commerce, including [1]: information asymmetry of commodity transactions, information asymmetry of logistics and distribution, and information asymmetry of capital payment, where information asymmetry of commodity transactions consists of information asymmetry of commodity price, information

asymmetry of commodity quality, information asymmetry of merchant, and information asymmetry of merchant service. These information asymmetries will increase the risk of online shopping [2]. We can take some measures to reduce the information asymmetry phenomenon and reduce the risks in online shopping, such as: improve the legal mechanism of online shopping platform, consumer education, and implement price transparency [3]. This paper will synthesize relevant literature and conduct relevant surveys to study the current situation of the live banding industry, examine its information asymmetry phenomenon and give suggestions.

3. Methodology

I randomly distributed questionnaires in the WeChat applet, which were used to understand the basic situation of respondents' participation in online shopping and live banding activities, their satisfaction with live banding and online shopping, and the problems they had. The questionnaire was divided into three parts. First part was to collect respondents' basic information such as gender, age, income level, the second part was to collect the information of respondents' participation in e-commerce activities, In this part, I can find out whether the respondents have the habit of online shopping and shopping on live streaming platform. The third part provided statistics on the information asymmetry respondents encountered in shopping on the live-streaming platform and understands respondents' concerns about live-streaming. The questions in the questionnaire cover single and multiple choice questions, fill in the blank questions. Participants came from various provinces in China, and in order to improve the quality of the questionnaire, I removed those questionnaires that were not filled out completely, and finally a total of 65 valid questionnaires were collected.

4. Result

This research conducted statistics on all the recovered samples and found that among all respondents, those aged 21 to 30 years old accounted for 57.58% of all respondents, and those aged 31 to 40 years old accounted for 27.27%, indicating a relative concentration of respondents' ages. Respondents with a monthly income between 8001 and 10000 RMB accounted for 25.76%.

Table 1: Respondents' basic information record table.

Gender		quantity	Proportion (%)
	Male	15	22.73
	Female	51	77.27
Ages			
	<10	1	1.52
	11~20	5	7.58
	21~30	38	57.58
	31~40	18	27.27
	41~50	3	4.55
	51~60	0	0
	>60	1	1.52
Income (RMB)			
	<2000	9	13.64
	2001~4000	10	15.15
	4001~6000	12	18.18
	6001~8000	8	12.12
	8001~10000	17	25.76

Table 1:(continued).

	10001~15000	5	7.58
	>15001	5	7.58

After the second part of the questionnaire, This research found that almost all respondents have the habit of online shopping (95.45%), and 86.36% of them have the experience of shopping on the live platform. These data very clearly indicate that there is a high level of participation in e-commerce and live platform shopping among the respondents. However, 40 respondents (60.61%) said they felt average and not very satisfied with the current status of live-streaming with goods, and 54.55% of them were not very confident with the number of products purchased on the live-streaming platform. The number of respondents who received products that differed greatly from the description of the merchant reached 62.12%, and 87.88% of respondents would take measures to defend their rights for the products they received that differed greatly from the description, but there were still respondents who would choose to accept the products without taking measures.

Table 2: Respondents' online shopping situation table.

Whether you have the habit of online shopping		quantity	Proportion (%)
	Yes	63	95.45
	No	3	4.55
Whether the habit of live with the goods			
	Yes	57	86.36
	No	9	13.64
Are you satisfied with the current status of live banding			
	satisfied	27	40.91
	average	36	54.55
	Terrible	3	4.55
Have you ever received an item that differs greatly from the description			
	Yes	41	62.12
	No	17	25.76
	Not sure	8	12.12
How to handle if you receive an item with a huge difference in description (multiple choice)			
	No measures	13	19.7
	Request a Return	58	87.88
	Find the relevant agency to complain	23	35.85
	Other	1	1.52

The third part of the statistics shows that the majority (84.85%) of consumers have impulse spending in live with goods, and the most important reasons for impulse spending are price discount (68.18%) and the description of the merchant (63.64%). This research counted the possible problems with live-streaming and found that respondents were skeptical of the persona of some anchors on live-streaming platforms (74.24%), worried about the quality of products in live-streaming (69.7%) and thought that the after-sales service of live-streaming was poor.

Table 3: Respondents' impulse spending in live banding and concerns about live banding table.

Whether there is impulsive consumption experience in live banding		quantity	Proportion (%)
	Yes	56	84.85
	No	7	10.61
	Not sure	3	4.55
Causes of your impulsive consumption in live banding (multiple choice)			
	Low price	45	68.18
	Fine descriptions from merchants	42	63.64
	Netflix and celebrity endorsement	23	34.85
	Buy more and get discount	40	60.61
	Discounted quality of products	21	31.82
	Other	2	3.03
What do you think are the problems in live banding (multiple choice)			
	Poor quality of merchandise	46	69.7
	False persona of some anchors	49	74.24
	Poor after-sales service	47	71.21
	Expensive merchandise	19	28.79
	Other	2	3.03

5. Discussion

The collected data show that people today are highly involved in live banding, but there are still problems and information asymmetry exist in live banding. Consumers have certain concerns about live banding, and their overall satisfaction is low. Most consumers have experienced receiving products with large gaps, and there is irrational behavior such as impulsive consumption when people participate in online shopping.

In online shopping and live banding, consumers can be exposed to a large number of similar goods in a short period of time. Since online shopping does not allow consumers to observe and try products in the field, they can only choose based on very limited resources such as descriptions and prices, which makes it easier for customers to choose products with good descriptions and lower prices rather than based on the quality of the products. In order to attract more consumers, merchants may embellish the description and lower the price, etc. An excessive embellishment of product descriptions can lead to serious discrepancies between the description and the real product, which is one of the reasons for information asymmetry. Merchants may maintain profits by reducing costs while lowering prices, which leads to more use of poorer quality raw materials, while consumers only have access to limited information, which may eventually form a lemon market. In live banding, certain anchors attract consumers through the setting of their own characters, but the internet is a virtual environment, leading consumers to be suspicious of the image setting of the anchors. This research synthesizes the recovered questionnaires to give the following solutions.

5.1. Strengthen the Supervision of the Quality of Products on Live Streaming Platforms

Some merchants use lower quality raw materials to reduce costs in order to attract consumers with lower prices, resulting in problems with the quality of the products. And the descriptions of merchants are often very fine, which is one of the main reasons for information asymmetry. The establishment of a good product supervision mechanism can effectively compensate for this information asymmetry. Market supervision departments, live streaming platforms and relevant merchants should jointly participate and jointly supervise to improve supervision efficiency and enhance consumer satisfaction.

5.2. Improve the Identity Authentication System

After the questionnaire survey This research found that the false persona of anchors is the biggest problem (74.24%) that respondents think may exist in current live-streaming with goods. Some live broadcasters attract consumers and sell goods through false personas. The identity information of the live streamers should be verified, especially the key information involving their persona settings. In this way, information asymmetry is reduced and consumers' concerns are reduced. However, due to the large variety of character phenomenon settings of anchors, the problems of verification difficulties and verification costs in identity verification are yet to be solved.

5.3. Encourage Consumers to Consume Rationally

Among the interviewees, 84.85% of consumers have experienced impulsive consumption, which is partly due to the information asymmetry in live banding, and partly due to the irrational behavior of consumers themselves. Consumers should be encouraged to buy the products they need from their own needs, rather than just pursuing low prices.

6. Limitations

Through the analysis of the randomly collected samples, This research found that the data had some limitations, mainly because the respondents were more concentrated in certain data. The total number

of samples is small (only 66 valid samples), the gender distribution of respondents is very different with 77.27% female, the age distribution of respondents is concentrated with 84.85% of the total number of respondents aged 21-40, and the income range is mainly distributed between RMB 2001-6000 and RMB 8001-10000.

7. Conclusion

The main purpose of this study is to investigate the information asymmetry phenomenon and its impact of in live-streaming with goods and give corresponding solution strategies. This research collected the relevant data by issuing questionnaires, and through the analysis of the data, This research found that there are information asymmetry phenomena in live-streaming with goods such as the discrepancy between the description of goods and the real goods, the doubt of consumers about the setting of the anchor character and the poor satisfaction of consumers with the status quo of live-streaming with goods, and the irrational behavior of consumers who will make impulsive consumption when participating in live-streaming with goods because of the information asymmetry. Recommendations were also given to improve the relevant regulatory and certification systems and to encourage consumers to contact shopping. However, it is also found that there are certain limitations in the sample, such as the large proportion of female consumers and middle-aged and young people, and subsequent research can have more investigation and research on male consumers and other age groups as well as in-depth discussion on how to verify the information of the anchor's characters. In this paper, based on the information asymmetry phenomenon in online shopping, This research conduct an in-depth study on the special online shopping method of live-streaming with goods. Our findings in the questionnaire support the conclusions of the literature on the information asymmetry phenomenon in online shopping, and This research also found some information asymmetry phenomena specific to live-streaming with goods, the most obvious one is the character setting of the anchor, which is also the most worrying problem for consumers.

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