

# The Influences of Live Streaming Affordance in Cross-Border E-Commerce Platforms: An Information Transparency Perspective

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## ABSTRACT

Despite the promise of cross-border e-commerce, attracting consumers is still a worldwide challenge. Many cross-border e-commerce platforms have responded to the challenges by embracing innovative tools like live streaming. However, there has been limited understanding of the unique nature of live streaming and its empirical influence. Taking an affordance view of live streaming, this study defines affordance of live streaming as the capacities provided by live streaming and examines how affordance of live streaming affect consumers' purchase intention in the cross-border e-commerce context based on the information transparency perspective. Results show that although live streaming does not directly affect consumers' cross-border purchase intention, it can increase consumers' purchase intention through increasing perceived information transparency. In addition, affordance of live streaming can further moderate the relationship between different types of information transparency and consumers' cross-border purchase intention. The findings provide a much-needed contribution to academia and business.

## KEYWORDS

Affordance, Cross-Border E-Commerce, Information Transparency, Live Streaming, Purchase Intention

## INTRODUCTION

Despite the disruption of the global trade environment, cross-border e-commerce has become an important driver of global trade. Through cross-border e-commerce platforms such as Amazon and Alibaba's Tmall Global, consumers can easily access an increasing variety of worldwide goods at lower costs and in less time (Giuffrida et al., 2017). According to recent PPRO research, the value of worldwide cross-border e-commerce reached \$412 billion at the end of 2018, which still leaves substantial room for further expansion (PPRO 2019). The growth of cross-border e-commerce has provided promising prospects for cross-border e-commerce platforms to build business strategies.

Although cross-border e-commerce platforms provide significant convenience and low costs for consumers all over the world, how to motivate and attract consumers is still a worldwide challenge. According to IPC (2019), online platforms in the USA attracted 26% of Chinese consumers to make

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the last cross-border purchase in 2017; the rate in 2018 was down to 14%, but it fortunately grew again in 2019. In China, a number of cross-border e-commerce platforms have failed due the inability to secure a loyal customer base (Mou et al., 2019a). In some European countries, the repurchase rate of cross-border e-commerce platforms is only 10.8% (Kim et al. 2017). There are still barriers that deter consumers from taking full advantage of cross-border e-commerce. For instance, a lack of familiarity and trust in the seller, crossing language barriers to access product information, and cross-border transactional risk (e.g., confiscation or delivery risk) raise uncertainty for consumers (e.g., Bin et al., 2003; Valarezo et al., 2018). These barriers are forcing platforms to seek more creative and flexible means to attract and satisfy consumers compared with traditional domestic e-commerce.

Many cross-border e-commerce platforms have responded to the challenges by embracing innovative tools such as live streaming. *Live streaming* in cross-border e-commerce platforms enables real-time online broadcasts for seller-consumer communication. Live streaming allows streamers (sellers) to present detailed and rich goods information (e.g., the produce or procurement process, direction for use) and communicate with potential consumers in real time (Hu et al., 2017). Correspondingly, consumers can obtain abundant information, prompt response (through the bullet screen), and even personalized services. Considering these benefits, live streaming is believed to have tremendous impacts on consumers' online purchase behaviors, especially in the cross-border e-commerce context (Chen et al., 2017). Alibaba's Tmall Global claimed that, at the end of the third quarter in 2019, their gross merchandise value generated through live streaming reached RMB 470 million, up from RMB 62 million a year ago (Wang, 2019).

However, there has been a limited understanding of the unique nature of live streaming and its empirical influence in the cross-border e-commerce context. On the one hand, the existing literature on live streaming purchases primarily focuses on users' participation in live streaming and mainly investigates why users engage in live streaming (e.g., Ho & Yang, 2015; Lu et al., 2018; Cai & Wohn, 2019). On the other hand, some early evidence shows that consumers' live streaming engagement is highly related to their purchase behaviors in domestic e-commerce (Sun et al., 2019; Wongkitrungrueng & Assarut, 2018), but few of them study the underlying mechanism between live streaming and consumers' purchase behavior. It is still unclear whether and how live streaming impacts consumers' purchase intention in cross-border e-commerce platforms. Therefore, it is quite meaningful to investigate how consumers' cross-border online purchase intention can be affected by live streaming.

To answer the above research question, this study attempts to investigate the specific influence mechanism of live streaming on consumers' cross-border online purchase intention through an information transparency perspective. The theoretical lens of information transparency delineates consumers' information needs in the purchasing process in terms of product, seller, and transactional processes and provides a guide for us to understand how the live streaming affordance affects the information inconsistency between platforms and consumers (Zhou et al., 2018). Considering the interaction nature of live streaming (Sun et al., 2019), we take an affordance view of live streaming. We define *affordance of live streaming* as the capacities provided by live streaming in terms of visibility, shopping guidance and trading. A theoretical model clarifying the influence of live streaming on cross-border purchase intention regarding information transparency was proposed, and a survey was conducted to verify the model. The results show that live streaming alone would not directly affect consumers' cross-border online purchase intention, but it can affect consumers' purchase intention by increasing perceived information transparency. In addition, affordance of live streaming can further moderate the relationship between different types of information transparency and consumers' cross-border purchase intention.

The findings of this research provide several contributions to the existing literature. Our research offers three important insights into the existing literature. First, we deepen our understanding of consumers' cross-border online purchase behavior by taking the influence of live streaming into account. In particular, the results show that live streaming plays multiple roles in affecting consumers'

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