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## Navigating fake livestream traffic in China: A guide for brands

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*From viewership numbers for livestreaming sessions and followers' number to sales numbers that result from a session, everything in livestreaming can be faked. Image credit: Chanel*

By [Yaling Jiang](#)

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While brands have been putting livestreaming on a pedestal since COVID-19, the issue of fake traffic has been growing alongside the boom of this new \$14.1 billion (96 billion yuan) market, based on estimates from iiMedia Research.

In livestreaming, fake traffic is seen in viewership numbers, the number of overall followers, and sales numbers resulting from livestream sessions. The latter is "a variation of faking traffic under the new phenomenon," said Yao Hui, who is the head of influencer platforms in business intelligence and analytics at [Miaozhen Systems](#).

Founded in 2006, the China-based business intelligence company has published reports on irregular Internet traffic since 2013, and livestreaming surveillance is one of their latest products.

Fake traffic is an issue that has had a big impact on sales and brand communications, yet the damage would be exacerbated for luxury, according to Ms. Yao.

"Given that luxury has a relatively small target audience, if there is a lot of fake traffic during livestreaming, it would impact a brand's precise operations," Ms. Yao said.

"If there were 100 people during one session, and two were the brand's VIPs, and 98 were fake, the brand might end up attending to the fake consumers rather than the real VIPs, due to the interactive nature of livestreaming," she said.

Ours is an age when an increasing number of luxury brands have started formulating livestreaming strategies, either for sales or marketing purposes. But these brands must be cautious when selecting agencies and KOLs with which to collaborate. *Jing Daily* spoke with experts about where and why fake traffic happens in livestreams and how to navigate this complicated situation.

Under-regulated grey area

"I've stepped over one trap after another," an anonymous sports brand's operation staff member recently told *Workers' Daily*. Earlier this year, she chose an influencer who has more than 3 million fans to do a four-hour

livestreaming session and was surprised to only see around 2,000 yuan (\$294) of revenue.

Then, after she switched to a different host, she was swamped by a large proportion of return requests.

In one case, 42 out of 47 goods were returned by customers who acquired them during the livestreaming session, she added.

Without proof or regulations in place, there was nothing she could do.

It is common for laws to fall behind industry development in China, and this is the case for livestreaming: an industry that has rapidly expanded since the **COVID-19** outbreak began in China this January.

According to the Ministry of Commerce, the first half of 2020 witnessed 10 million livestreams watched by 50 billion unique viewers.

"If it wasn't for COVID-19, [livestreaming] wouldn't be so popular," said Timo Lei, a cofounder and the chief financial officer of Wufeng Technology. "But the reason it developed so abnormally is that it dealt with the needs of commerce. It was a shot in the arm that China needed."

Mr. Lei also added that livestreaming has returned to a normal pace of development in recent months.

Based in Shanghai, Wufeng Technology self identifies as an MCN+ company that manages more than 20,000 influencers, offers influencer data intelligence services, and invests in the influencer economy.

"If you often walk by the riverside, you will eventually wet your shoes," Mr. Lei said about the prevalence of fake traffic, which he compared to the aggressive business expansion tactics favored by service-sharing platforms.

"Platforms would [reassure] users at the beginning of their expansion by saying that it is natural for small agencies or KOLs to fake traffic to gain more potential clients," he said.

Ms. Yao also explained an interesting phenomenon in livestreaming, saying that on content platforms such as **Douyin** and **Kuaishou**, mid- to bottom-tier influencers tend to have more authentic traffic than the top influencers.

But "in livestreaming, top livestreamers have much more real traffic than lower-tier livestreamers," he said, stating that certain low-tier livestreamers have less than 10 percent real traffic from their livestreams.

According to the third-party advertising technology company Miaozen Systems, around 26 percent of livestreaming traffic is fake, which is a slightly lower number than the fake traffic average across all channels last year.

Depending on the motivation, there might be more fake traffic prevalent in areas where brands commission ad agencies to do their livestreaming via official brand accounts or else if they commission KOLs to host livestreams, said Ding Qijun, founder of the Shanghai-based **Fireflies TV**, an MCN agency working in **livestreaming commerce**.

"Because of the participation of relevant ad agencies with a commitment to sales, both agencies and brands have motivations for fake the traffic," Mr. Qijun added.

In the traditional ecommerce era, fake comments were created to bump up display orders on ecommerce sites. But those so-called "traffic optimization" companies are getting smarter these days, Ms. Yao explained.

"Other than using machines to fake traffic, companies would also hire humans to leave comments with alterations based on a template," she said.

Miaozen currently provides services to help brands choose livestreamers, monitor sessions minute-by-minute, monitor competitor sessions, and analyze strategies.

One can buy as many as 10,000 likes for \$88 (600 yuan), according to Zhao Ximing, top MCN **Wuyou Media's** director.

China's local media also reported that with 20 yuan (the price of a bowl of noodles), one could buy 10,000 views, 500 likes and 50 comments.

Regulations catching up

Fake traffic could also damage consumer confidence in livestreaming, and under mounting social pressure, industry regulators are catching up.

In July, the China Advertising Association published the Internet Livestreaming Marketing Practice Regulations, while the Professional Committee of Media Shopping from the China General Chamber of Commerce proposed and implemented the Internet Livestreaming Shopping Operations and Services Regulations.

The central government, which has largely promoted the commerce form to relieve businesses of financial pressures, has shifted to a neutral standpoint.

On Sept. 22, Wang Bin, the deputy director of the Department of Market Operation and Consumption Promotion of the Ministry of Commerce, noted that the outstanding problem of livestreaming is that "the responsibilities of entities are not in place," and that the ministry will work with relevant departments on the issue.

Mr. Lei suggested that those who have not tried livestreaming yet could wait until the livestreaming market matures.

"It is difficult to gauge professionals in the livestreaming ecosystem, as they come from all walks of life," Mr. Lei said.

"Fashion industry leaders need to think twice before jumping into livestreaming commerce," he said. "If they want to cultivate young consumers, digital marketing might be a more solid way for now."

The number of followers is one of the more important factors when brands choose certain KOLs since it reflects the potential buyers a brand could reach.

Mr. Zhao said that the popular company KOL "Guangdong Couple" has a dedicated team to manage requests from brands.

With 30 million followers, brands usually approach them to talk about pricing and products, Mr. Zhao said.

But brands should look at additional factors, too.

"Brands could evaluate livestream hosts' previous viewership or sales statistics," Mr. Ding said. "If any of them exceed the average by too much without reasonable explanation, they are likely faking relevant traffic."

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