

Could the Introduction of Live-Streaming E-Commerce Save Struggling Companies?-The Case of Domestic Brand Vitality 28

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Abstract: This study examines how the emergence of live-streaming e-commerce presents transformation opportunities for traditional domestic brands facing market contraction and brand aging. Focusing on Vitality 28, a company that experienced operational crises, the research investigates whether live-streaming commerce can effectively rescue distressed enterprises. Through case study analysis combined with literature review and analysis of public data (including sales figures, media coverage, and user feedback), the findings reveal that live streaming commerce significantly boosted Vitality 28's short-term sales performance (with explosive GMV growth) and brand visibility (evidenced by social media buzz and expanded reach among younger consumers). This success primarily stemmed from differentiated host personas, precisely tailored content strategies, and leveraging platform traffic advantages. However, the model also encountered challenges, including viewer traffic sustainability, supply chain pressures, limitations in profound brand image transformation, and product innovation gaps. The research demonstrates that while live streaming commerce serves as an effective short-term "emergency treatment" and revitalization tool for distressed companies, its long-term "rescue" efficacy fundamentally depends on concurrent improvements in core corporate competencies (product development, organizational capabilities, and supply chain management). This study provides practical insights and risk awareness for traditional struggling enterprises exploring digital transformation.

Keywords: Live Streaming Commerce; Distressed Companies; Corporate Transformation; Marketing Strategy; Vitality 28; Domestic Brands

1. Research Background and Significance

1.1 The Rise and Challenges of Live-Streaming E-Commerce Models: The Company's Challenges

As a significant innovation in e-commerce, live-streaming sales leverage the internet and social media platforms, while integrating emerging technologies like mobile payments and big data analytics. Evolving from entertainment content into a systematic sales approach, it has permeated multiple sectors, becoming a key driver of consumer market growth. According to the 52nd report by the China Internet Network Information Center (CNNIC), China's internet user base reached 1.079 billion by June 2023, with short video users accounting for 91.3%. The user base for live-streaming e-commerce grew by approximately 12% in the first half of 2023 compared to the end of 2022. This explosive growth stems from innovative business models and exceptional shopping experiences, where hosts comprehensively showcase products and provide real-time Q&A, leveraging algorithmic recommendations to disseminate high-quality content. For instance, Taobao Live achieved a GMV of 100 billion yuan during the 2023 Double 11 shopping festival. [1,2] However, intensifying market competition and shifting economic conditions have plunged numerous enterprises into operational crises, facing financial and operational challenges that hinder normal development. [3] Causes include external environmental volatility and internal mismanagement, with negative impacts extending across multiple segments of the corporate value chain. Take Vitality 28 as an example: in 2023, it faced difficulties due to market competition, outdated products, and brand aging, resulting in declining brand influence and sales. [22] Against this backdrop, distressed companies urgently require

transformation. Given its innovative and efficient nature, livestreaming commerce may serve as a crucial tool for enterprises to overcome difficulties. Studying its effectiveness in helping distressed companies emerge from crises holds significant academic value and practical significance for assisting enterprises in escaping operational crises and achieving sustainable development.[4]

1.2 Research Questions and Objectives

1.2.1 Core research question

With the advancement of internet technology and shifts in consumer behavior, live-streaming e-commerce has emerged as a vital means for enterprises to expand markets and enhance brand influence. In recent years, the live-streaming industry has demonstrated remarkable vitality within the e-commerce sector, yielding particularly significant results in industries such as apparel and daily necessities [6]. Relevant studies and surveys indicate that China's live-streaming e-commerce market size exceeded 3.5 trillion yuan in 2024, with projections reaching 4.8 trillion yuan by 2025. However, this prosperity conceals underlying concerns-such as inadequate platform oversight, inconsistent host quality, and misleading promotions-which compromise consumer shopping experiences and rights while hindering the long-term development of live-streaming commerce. Against this backdrop, leveraging live-streaming commerce to help enterprises break through operational challenges has garnered significant attention. Vitality 28, once a prominent early-stage laundry detergent brand dominating China's market share, later faced operational challenges due to market competition and brand obsolescence. By 2023, its market share had plummeted to less than 1%. [18] To overcome this predicament, the brand adopted the live-streaming sales model. This study centers on whether live-streaming sales can alleviate operational pressures for struggling companies and facilitate their recovery and transformation. It focuses on four aspects: the impact of operational mechanisms, feasibility and pathways for adoption, actual outcomes, and promotional value alongside limitations. Using the Vitality 28 case study and combining qualitative and quantitative methods, this research explores practical effects and application risks to validate the model's role in supporting transformative recovery [9].

1.2.2 Research objectives and expected outcomes

This study uses Vitality 28 as a representative case to examine the salvage potential of livestreaming commerce for distressed companies. It aims to clarify the model's characteristics and current status, analyze operational changes before and after its adoption at Vitality 28 while assessing impacts, summarize application experiences, and propose optimization recommendations [10]. Live-streaming commerce has surged in the e-commerce sector, with China's live-streaming e-commerce market exceeding 3.5 trillion yuan in 2024, accounting for over 25% of total e-commerce transactions. Vitality 28 faced challenges due to competition, experiencing over a 60% decline in sales from its peak in 2022. After piloting live-streaming sales in 2023, its live-streaming revenue grew by over 40% year-on-year, with increased user engagement and brand search volume [12]. However, this model imposes higher demands on corporate supply chains, and its long-term sustainability remains to be seen. This study will analyze its applicability and limitations through case studies, explore optimization pathways, and aims to construct a theoretical framework, reveal influencing mechanisms, summarize experiences, and propose recommendations. It seeks to provide theoretical and practical guidance for traditional enterprises, driving the application of this model and corporate development [13].

2. Research on Live-Streaming Sales Models

2.1 Definition, Characteristics, and Recovery Research Mechanisms of Live-Streaming E-Commerce

As an emerging business model, live-streaming commerce integrates traditional e-commerce and social media strengths by showcasing, explaining, interacting with, and selling products through live platforms [15]. In 2023, China's live-streaming e-commerce market exceeded RMB 4 trillion, accounting for over 25% of the e-commerce market and profoundly impacting consumption, marketing, supply chains, and consumer behavior. It exhibits characteristics such as real-time interaction, contextualization, social attributes, content-driven engagement, and multi-channel integration, with varying impacts across different sectors. However, risks such as false advertising also exist. [7] Research on

Corporate Transformation and Recovery Mechanisms: Corporate transformation involves profound changes in dimensions like business models to reshape competitive advantages, while recovery entails restoring profitability and market position after shocks. Both are interwoven through four key mechanisms, including strategic reshaping. Theoretically, this draws on three perspectives: the corporate life cycle theory, the resource-based view, and the dynamic capabilities theory. [11] In practice, pathways vary by industry, with transformation success rates closely tied to strategic execution capabilities[17]. Management decisions and employee cooperation significantly influence outcomes, while brand repositioning proves critical-as demonstrated by Vitality 28 leveraging livestream commerce to boost visibility and drive sales. Given the complex, multidimensional nature of corporate transformation and recovery mechanisms, enterprises must develop scientifically grounded plans tailored to their specific circumstances. This requires comprehensive consideration of internal and external factors alongside policy support to ensure smooth transitions and sustained long-term development [19].

2.2 Motivating Factors for Introducing Live-Streaming Sales

2.2.1 External environmental changes as a driving force

As a once-renowned brand in China's detergent industry, Vitality 28 faced developmental bottlenecks after years of market shifts. Intensified competition and diversified consumer demands rendered traditional marketing unsustainable for continued growth, prompting the company to reevaluate its development path and seek breakthroughs [20]. Internally, adopting live-streaming commerce represents not merely a sales innovation but a comprehensive strategic choice encompassing brand repositioning, channel optimization, and organizational restructuring. Regarding brand repositioning, Vitality 28's brand influence has significantly declined in recent years. Its brand awareness dropped to 26.7% in 2023, a marked decrease from its peak period [21], adversely affecting market share and consumer loyalty. As an emerging communication and sales model, livestreaming leverages hosts' fan bases and personal charisma to rapidly boost brand exposure and recognition. For instance, Vitality

28's Douyin livestream attracted over 100,000 concurrent viewers with tens of thousands of interactive comments, helping the company regain brand value. According to the China E-commerce Development Report, China's e-commerce livestreaming sector is projected to grow significantly in 2024, presenting opportunities for struggling companies like Vitality 28. Regarding organizational restructuring, live-streaming sales prompted Vitality 28 to optimize internal management mechanisms. The company established a dedicated live-streaming division, recruited new media operations talent, and reorganized its structure to adapt to the new business model. These changes enhanced overall operational efficiency, laying a foundation for the company's sustainable development [23].

3.2 Specific Implementation Process of Live-Streaming Sales

3.2.1 Platform selection and host collaboration

When introducing livestreaming commerce, Vitality 28 first faced platform selection and influencer collaboration strategy formulation. As a traditional daily chemical enterprise, its transformation required alignment with brand positioning, target audience, and market conditions. Research indicates that short-video platforms like Douyin and Kuaishou, with their massive user bases and high interactivity, have become primary battlegrounds for livestreaming commerce [21]. Vitality 28 selected Douyin as its core live-streaming channel, aligning closely with other brands' youth-oriented strategies. By 2024, Douyin's daily active users exceeded 700 million, with over 60% under 30 years old (Douyin official data, 2024)-matching Vitality 28's goal of attracting young consumers. In influencer collaborations, Vitality 28 employs a diversified approach encompassing top-tier, mid-tier, and amateur hosts to form a multi-layered dissemination matrix. For instance, a major 2024 livestream featured a dedicated session with a host boasting tens of millions of followers, attracting 2 million viewers and generating over 5 million yuan in sales [21]. Vitality 28 also partners with vertical KOLs, such as home lifestyle hosts whose followers highly overlap with its target audience. Collaborative livestreams achieve an average conversion rate of approximately 12%, exceeding industry averages [5].

Additionally, Vitality 28 established an in-house

live-streaming team, leveraging Douyin's "Enterprise Account" for regular self-hosted broadcasts. This reduces reliance on external hosts while enhancing brand-consumer interaction. Data from 2024 shows that its self-hosted accounts average around 100,000 viewers per session, with peaks reaching 500,000, while fan retention rates have increased. Vitality 28 has also experimented with virtual host teams, which, though still exploring initial effectiveness, have garnered significant attention among younger demographics. Through strategic selection and diversified approaches, Vitality 28 has built a live-streaming sales system tailored to its unique needs.

4. The Impact of Live-Streaming Sales on Vitality 28 and Optimization of Corporate Operations and Management

The live-streaming sales model has delivered multidimensional positive impacts to Vitality 28, encompassing sales, marketing, branding, and channel structure, while also driving optimization of its internal organizational structure and team capabilities.

In terms of sales performance, Vitality 28 has seen significant revenue growth since adopting this model, with standout online sales during major shopping festivals like "618" and "Double 11." Single livestream sessions on major platforms generate sales ranging from tens of thousands to millions of yuan. For instance, during a 2023 livestream, over 100,000 units of products like laundry detergent sold within a short period, driving overall monthly sales upward. This reflects heightened consumer recognition and expanded sales channels. Regarding market share, live-streaming created new consumption scenarios that attracted younger consumers. By 2023, sales from live-streaming platforms accounted for over 20% of total sales, a significant increase from the near-zero proportion before 2021. Brand awareness also improved through host explanations and interactions. As of 2024, the Douyin live-streaming channel had over 500,000 followers, contributing to higher repurchase rates.

In channel structure, live-streaming sales break geographical barriers, boosting brand exposure and consumer engagement. According to a 2024 News Sentinel survey, this model prompted Huoli 28 to flexibly adjust strategies. Its official annual report (2024) shows that in the first year

of live-streaming, online sales grew by approximately 45%, with live-streaming sales contributing over 30% of total online revenue.

To adapt to this model, Vitality 28 optimized its organizational structure and team capabilities. Structurally, it reorganized and consolidated existing departments based on live-streaming characteristics. [16] The company established a dedicated Livestream Operations Center to coordinate critical processes, with specialized teams ensuring seamless event execution. Recruitment efforts for live-streaming roles were intensified to optimize human resource allocation. On the one hand, recruitment efforts for live-streaming roles-including hosts, assistant hosts, stage managers, and customer service representatives-were intensified. On the other hand, existing employees received training, and a results-oriented performance evaluation system was implemented. [14] Notably, Vitality 28 also prioritized cultivating a management team equipped with digital thinking and innovation during its live-streaming initiatives. The company actively introduced digital management tools such as Customer Relationship Management (CRM) systems and live-streaming data analytics platforms, enabling management to monitor real-time broadcast performance and user feedback. According to reports, the live-streaming team expanded by approximately 40% in 2024 compared to 2023, with professional hosts increasing by over 60%. This has significantly enhanced cross-departmental collaboration efficiency and strengthened competitiveness in the live-streaming e-commerce sector. This approach offers valuable insights for traditional enterprises facing challenges.

5. Summary of Research Findings

5.1 Positive Impact of Live Streaming Sales on Struggling Enterprises

As an emerging business model, live-streaming commerce has rapidly risen within the internet economy, becoming a crucial means for struggling enterprises to break through market bottlenecks and achieve brand revitalization. It provides new sales channels and enhances brand exposure for such companies. Taking Vitality 28 as an example, the introduction of this model has led to partial business recovery, demonstrating its positive impact. Live streaming sales expand the market reach of struggling enterprises.

Traditional retail is constrained by physical locations, whereas live streaming leverages short-video platforms and social networks to overcome geographical limitations and enable cross-regional sales. Vitality 28 promoted its products through platforms like Douyin and Kuaishou, driving sales growth. Research indicates that under this model, enterprises can achieve average sales increases of 30% to 50%, or even higher, thereby enhancing market penetration. [24] It helps elevate brand awareness and user loyalty while reshaping corporate image. Vitality 28 enables consumers to intuitively recognize the brand through live streams, with secondary dissemination of content creating word-of-mouth effects. As noted in the September 2025 issue of *Journal of Journalism and Communication*, "Oriental Selection's" knowledge-based live streams boosted user purchase intent, allowing Vitality 28 to reignite consumer interest. Furthermore, livestreaming commerce drives improvements in internal management and organizational capabilities, requiring enterprises to upgrade across multiple operational segments. It also provides data-driven insights to support precise decision-making. Vitality 28 utilizes livestream analytics to dynamically adjust strategies and product portfolios. The live-streaming sales model exerts multidimensional positive impacts on struggling enterprises. Vitality 28's practice demonstrates its practical significance in helping companies break through developmental bottlenecks.

5.2 Future Research Prospects

5.2.1 Recommendations and directions for future research

This study examines the impact of livestreaming sales on struggling companies using Vitality 28 as a case study. While valuable conclusions were drawn, certain limitations exist, pointing to directions for future research. The study relies on publicly available data and media reports, lacking primary sources such as Vitality 28's internal management records, operational metrics, and consumer feedback. [17] indicates that Vitality 28's Douyin livestreaming channel grew from under 50,000 followers in 2021 to over 200,000 by 2023, yet specific sales figures and user conversion rates remain undisclosed, limiting research depth and breadth. Future studies could employ surveys and interviews to obtain primary data for comprehensive impact

assessment.

The study focuses on a single corporate case, limiting its generalizability to other distressed companies. Distressed firms across different industries face varying market conditions, potentially affecting the effectiveness of livestreaming sales models. [3] suggests that financial distress early warning models for listed companies require industry-specific adjustments, implying that livestreaming sales applicability and efficacy may also differ by sector. Future research could expand to multiple industries to compare applicability and explore optimization pathways.

The study examines the impact of livestreaming sales on Vitality 28's sales performance and brand value but does not delve into long-term sustainability implications. [4] indicates that companies emerging from distress must establish robust management systems and strategic planning. Future research could integrate enterprise lifecycle theory to analyze the role of livestreaming sales at different stages and its influence on corporate strategic transformation. Additionally, the live-streaming sales model is influenced by external factors such as the policy environment and market competition. [8] mentions that corporate digital transformation must account for changes in the external environment. Future research could explore the interactive relationship between the live-streaming sales model and the external environment, proposing policy recommendations. Research involves data collection and processing, where accuracy and completeness impact result reliability.

Future studies may apply big data analytics and artificial intelligence to effectiveness evaluation. Simultaneously, theoretical frameworks and methodologies require refinement; incorporating additional relevant concepts and adopting mixed-method approaches could enhance research comprehensiveness and depth. This study presents both achievements and limitations. Future research could explore the topic from multiple dimensions to provide more scientific and effective solutions for distressed companies.

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