



Measuring the Digital Economy:

Insights from China's Platform Economy and Livestreaming Commerce

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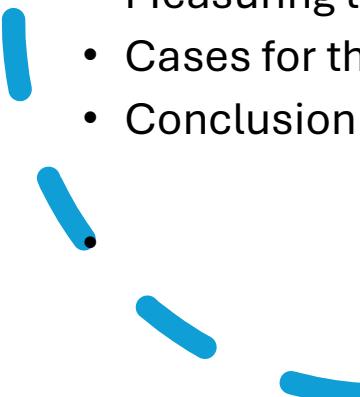
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The Significance of Measuring China's Digital Economy

- China is widely recognized as the **second-largest digital economy in the world**, behind the United States (Kong, 2025).
- China's **digital economy** reached approximately 7.5 trillion USD in 2023, accounting for **42.8% of its GDP** (Source: CAICT, 2024).
- Online retail alone now exceeds **2.2 trillion US dollars** annually.
- China's traditional statistical tools—like GDP and GMV—capture only part of this value.
- The traditional metrics miss the economic importance of **data, algorithms, trust, user interaction, and ecosystem effects** (OECD Digital Economy Outlook, 2024).

Five-Dimensional Framework for Measuring the Digital Economy

Five-Dimensional Framework:

- 1. Infrastructure:** 5G base stations, fiber optic coverage
- 2. Industry Scale:** output value and employment in digital industries.
- 3. Tech Innovation:** R&D investment, patents in AI/blockchain
- 4. Integration & Application:** Penetration rate in retail, manufacturing, agriculture
- 5. Development Environment and Governance:** Evaluates policies and regulations supporting the digital economy.

Sources :OECD (2019, 2020, 2024, 2025); OECD & IAG (2023); World Bank (2021); UNCTAD (2021); ITU (2022).



Why New Indicators Are Needed

- Traditional GDP & productivity measures miss digital value creation (world Economic Forum, 2019).
- **GDP** captures only *priced market output*.
- AI-driven automation changes **labor, efficiency, and transaction costs**
- Public investments in digital infrastructure lack **effectiveness metrics** (Valesco, 2024).
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Why Focus on Platform & Livestreaming Economy in Digital Economy Measurement?

- Platform activities generate **intangible, data-driven outputs**
- Livestreaming commerce creates **real-time behavioral value** not captured in official stats
- Produce **rich, real-time measurable indicators** (GMV, users, engagement, conversion).
- Represent **complete digital value chains** (content → marketing → transaction → logistics).
- Reveal **AI/algorithm-driven productivity**, not captured by traditional GDP.
- Critical for **employment, SME growth, and digital inclusion**.
- Aligned with **global statistical frameworks** (OECD, World Bank, China's DESA).
- Source: CNNIC (2024); iResearch (2024); iiMedia (2024); Deloitte (2023); OECD (2020); World Bank (2021); UNCTAD (2021).

The Two Engines of Growth

- **Engine 1: Platform Economy** -
The operating system:
(infrastructure, rules, traffic)
- **Engine 2: Livestreaming Commerce** - The Killer App (engagement, transaction, community)
- for understanding the vitality of China's digital economy.
- share a mutually reinforcing relationship.



Defining the Platform Economy

- The **platform economy** refers to economic activities that match, connect, facilitate, and coordinate transactions among multiple sides (e.g., producers–consumers, merchants–users, drivers–riders, creators–audiences) (Cole, 2017).

Platforms:

- generate value from *data, algorithms, and network effects*,
- involve *non-market* or *free* services,
- operate across industries (commerce, mobility, media, finance, public services).
- Their core function is **matching and ecosystem creation**.



OECD Platform Economy Measurement Framework

- **Platform output and revenue** – Digital intermediation fees and related services
- **Number of platform-mediated workers** – Employment, worker characteristics, and working conditions
- **Cross-border platform transactions** – Platform-enabled digital trade and digitally delivered services
- **Digital intermediation services** – Captured as distinct products in Digital Supply-Use Tables
- Source: OECD, 2023



China: Platform Economy Index

National Bureau of Statistics + Cyberspace Administration of China (CAC) often use:

Four Dimensions:

- **Platform Scale Index** (GMV, active users, active merchants)
- **Platform Innovation Index** (AI patents, R&D, algorithms)
- **Platform Governance Index** (data security, compliance)
- **Platform Value Index** (employment, SME enablement, consumption)



The Major Platforms & Their Revenue Power

Tencent (The Social Ecosystem)

- Core Biz: Social, Games, Payments, Mini-Programs (Millions of mini-apps within WeChat)
- **Tencent's platform is a closed-loop, self-sustaining digital universe.**
- It doesn't just own apps; it owns the primary social relationships, financial transactions, and digital routines of an entire nation.

Tencent 腾讯

Alibaba (The E-commerce Giant)

- Core Biz: C2C/B2C E-commerce, Cloud, Logistics (Cainiao)
- It holds digital platforms like Taobao and Tmall, offers cloud services, and manages a vast delivery network with Cainiao, making it a key player in various sectors of the economy.
- Alibaba operates primarily as a multi-platform intermediary across B2B, B2C, and C2C markets, whereas Amazon is more vertically integrated, functioning as both a retailer and a marketplace.



Meituan (The Everything App)



- Core Biz: Local Commerce (Food, Travel, Ride-hailing)
- Meituan serves as the on-demand operating system for city living in China.
- Meituan functions as a platform rather than merely a service.
- It does not possess the essential inventory.
- It establishes the regulations.
- It fosters an ecosystem.



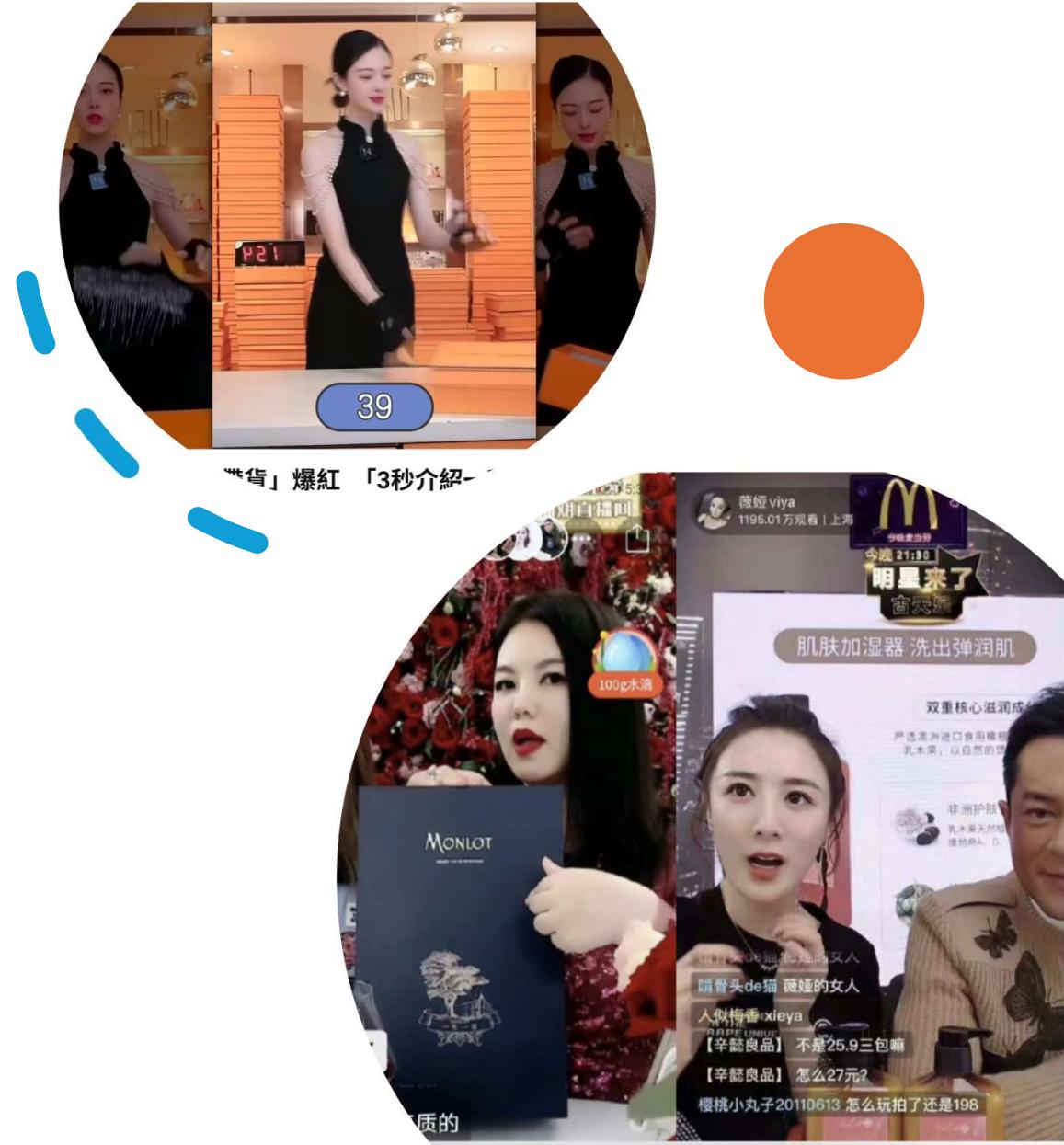
Platform Economy: The "Stage" for Digital Life

- Platforms have become the essential infrastructure of China's digital society, building the very 'stage' on which livestreaming e-commerce performs (Ruan, 2022).



Engine 2 - Livestreaming Commerce

- **Definition:** Real-time video broadcasts where hosts (Key Opinion Leaders - KOLs) showcase products, interact with viewers, and drive sales.
- **The "Theater of Shopping":** Entertainment + Community + Instant Gratification (Hu, 2023)



Popular Livestreaming Platforms in China





The Explosive Growth of Livestreaming Commerce

- **Market Size (GMV)**

RMB 5 trillion (≈ USD 695B) in 2023

Projected to exceed **USD 1 trillion by 2026**

- **User Base & Adoption**

1.068 billion short-video / livestream users

81% of online shoppers have purchased via livestreaming

- **Digital Engagement**

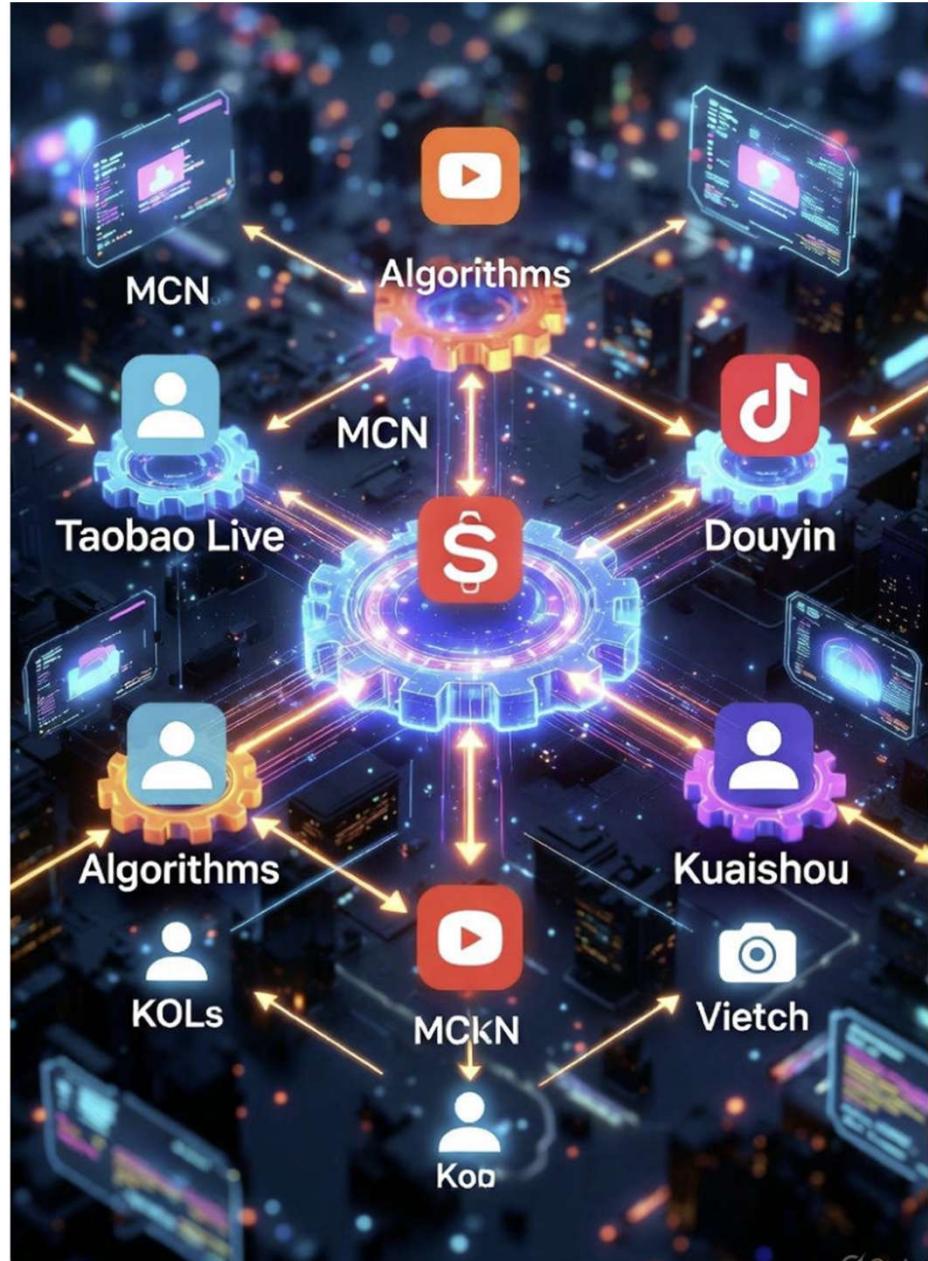
Average mobile internet use: **7.5 hours/day**

Sources:

- iResearch (2024); iiMedia (2024); CNNIC (2024); Deloitte (2023).

How Does It Work? The Symbiosis with Platforms

- **Platforms** provide: Traffic, Payment, Logistics, and Trust Mechanism.
- **Algorithms** recommend streams to potential buyers.
- **KOLs** create content and engage fans.
- **Viewers** watch, interact, and purchase.
- **Data** from purchases feeds back to the algorithm and KOLs.





Measuring Livestreaming Economy

- **Scale:** number of active streamers, sessions, viewers.
- **Engagement:** watch time, interactions per viewer (likes, comments, gifts).
- **Conversion:** GMV, orders, conversion rate (orders ÷ viewers), AOV.
- **Retention:** repeat customers, returning viewers.
- **Quality:** refund rate, complaint rate, logistics performance.
- **Economic Contribution**

Share of online retail from livestreaming

Livestreaming-related employment

Source: IResearch, 2021.





Case Studies in Livestreaming (The "Stars" on Stage)

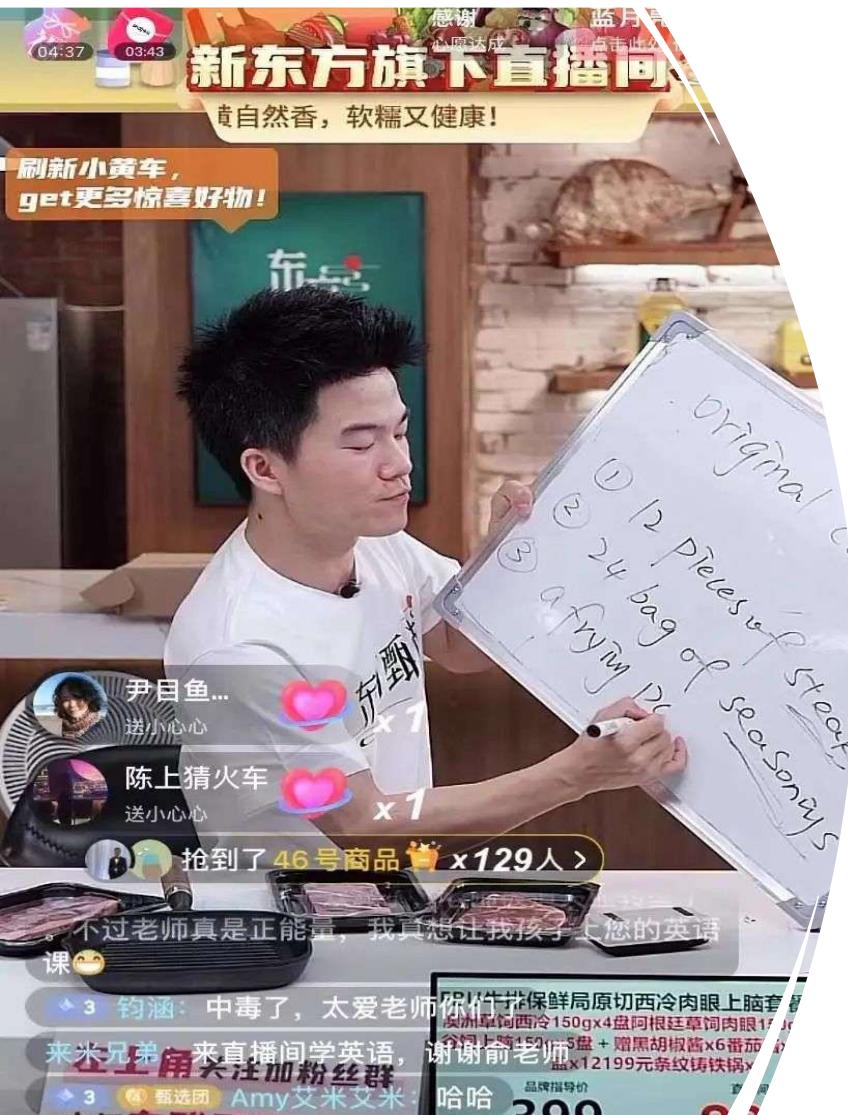
Case 1 - Austin Li: The Super-Connector

- Once sold 15,000 lipsticks in 5 minutes. Demonstrated the power of **trust and personality**.

Although Li Jiaqi's GMV is impressive, his greatest asset is the 'trust capital' he has established with his audience.

Source: Huang, 2020

Source: Bilibili



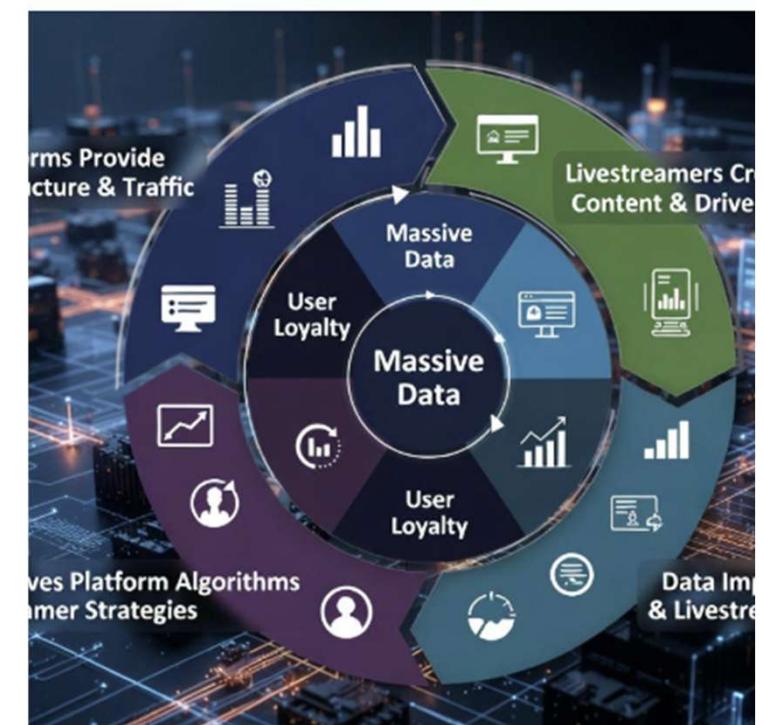
Screenshot from the live streaming of Oriental Selection.

“Oriental Selection”: Knowledge-Driven Commerce

- Dong Yuhui speaking English during his livestream.
- Gained 20 million followers in days without low-price promotions.
- Proves that high-quality **content** can be a powerful business model.

Synthesis: The Dual-Engine Flywheel

- **Platforms** provide infrastructure and traffic.
- **Livestreamers** create engaging content and drive transactions.
- **This generates massive data and user loyalty.**
- **Data** improves platform algorithms and livestreamer strategies.



Conclusion: Key Takeaways

- China's digital economy is **massive and structurally important**.
- It's best understood through the lens of its **dual engines**: Platforms & Livestreaming.
- **Platforms** are the **stage**—the infrastructure and rule-makers.
- **Livestreaming** is the **show**—the dynamic, high-growth application.
- Their **symbiosis** creates a powerful flywheel effect, driving innovation and consumption.
- Future growth hinges on **balanced development** between innovation, regulation, and user rights.



Thank you for your attention

