The Current Situation of the Integration of China's Digital Trade Platforms and Social Media Platforms

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Abstract: With the rapid development of the mobile Internet, China's social media platforms have entered a period of rapid development and embraced a more diversified development track. Under market competition, the commercial expansion trend of social media platforms is intensifying, while traditional digital trade platforms are also seeking media - oriented transformation. This article analyzes the current social media - based business models of China's digital trade platforms, then identifies and analyzes the main threats and defects they face, and attempts to propose optimization methods. This study reveals that China's integration of digital trade and social media platforms, despite its rapid growth, faces challenges such as low repeat purchase incentives, flawed recommendation algorithms, and incomplete evaluation mechanisms. To address these, platforms should optimize user engagement strategies, enhance algorithmic fairness, and establish sustainable content ecosystems, thereby maximizing the synergistic value of integration.

Keywords: Digital Trade, Digital Platforms, Social Media Platforms

1.   Introduction

Digital technology is profoundly reshaping global trade patterns. The vigorous development of China's digital trade fully demonstrates this transformative trend: According to the Opinions on Promoting Digital Trade Reform and Innovation jointly issued by the General Offices of the Communist Party of China Central Committee and the State Council[1], China's digitally deliverable service trade volume has continued to expand, with cross-border e-commerce imports and exports reaching RMB 1.88 trillion in the first three quarters of 2024, setting a new historical high[2]. This technology-driven trade model significantly enhances resource integration efficiency by reducing information dissemination costs, breaking through market barriers, and optimizing factor allocation.

In the new media sector, commercial value exploration in platform economies exhibits bidirectional integration characteristics. The "Four Elements Model of Digital Communication"[3] identifies traffic scale, audience quality, platform credibility, and conversion efficiency as the core dimensions of new media business ecosystems. Leading platforms such as Douyin and Bilibili have innovated mass information access methods through their "content + data" dual-drive models. Moreover, they have achieved upgrades from traffic monetization to value co-creation via precision content distribution and scenario-based consumption embedding. Their innovative "high-traffic × positive-energy" marketing model has become an important paradigm for brand communication.

From a macro perspective, the media - orientation of China's digital trade platforms or their integration with media platforms is a current social trend. Under this trend, some social marketing links of enterprises are omitted due to the characteristics of media platforms. The model in which the sales process of some commodities is completed by the platform also poses higher requirements for the platform in terms of marketing models. With the influx of a large number of individual merchants into digital trade platforms, the co - existence of B2C and C2C models makes these requirements even more prominent. Facing this complex digital platform market, traditional marketing methods and business models are showing signs of decline.

As a product of the fifth information technology revolution, network platforms, as carriers of information dissemination, possess an unparalleled speed and breadth of information dissemination compared to other information carriers. Consumers are more inclined to seek product and service information on social media platforms and interact with brands. Therefore, in order to achieve long - term development in the digital age, business groups must make good use of the media attributes of these platforms and accelerate their social media - orientation process to achieve efficient marketing.

The remaining part of this article will first analyze the current social media - based business models of China's digital trade platforms, then identify and analyze the main threats and defects they face, and attempt to propose optimization methods. Finally, it will look ahead to the development of China's digital trade platforms.

2. The main social media -- based business models of China's digital trade platforms

2.1. Social E - commerce model

The social E - commerce model is a marketing model that attracts users to participate through group buying and social sharing. Users can invite friends to form a group to purchase products and enjoy lower prices. Social interaction is the core of this promotion method. Pinduoduo, a leading social E - commerce platform in China, widely uses this marketing model[4].

Under this marketing model, platform users participate in the sales process through social sharing and inviting friends. This enhances their sense of participation and interactivity. Users are not only consumers but can also become sellers or promoters. They can obtain discounts by sharing products and inviting friends to participate in group buying. This interactivity attracts more users. Moreover, users generally tend to trust products recommended by friends or people they recognize. Therefore, the social E - commerce model improves the trust level in purchase decisions. The exchange of user - generated content and real - life usage experiences in consumer communities also helps to build brand reputation, enhance consumers' trust in products, and promote repeat purchases and brand loyalty.

2.2. Live - streaming E - commerce model

The live - streaming E - commerce model is a marketing model in which platforms promote and sell products through celebrities, influencers, or professional hosts. Online live - streaming originated from television live - broadcasting. It is a highly interactive video entertainment method. During the integration of digital trade platforms and social media platforms, the marketing method of the declining TV shopping programs began to shift to online platforms. Some online live - streaming channels and hosts specialize in live - streaming product sales, while some hosts from other channels such as gaming, pet - related, and beauty - related fields may also cooperate with some merchants to recommend products to the audience during live– streaming[5].

The most significant feature and advantage of the live - streaming E - commerce model are the real - time interaction with users and the intuitive display and experience of products. During real - time live - streaming, consumers directly participate in product demonstrations, question - and -

answer interactions, and the purchase process. This real - time nature and interactivity greatly enhance consumers' sense of participation and the immediacy of purchase decisions. It also enables consumers to understand products more intuitively. Compared with static pictures and text descriptions, live - streaming can display all aspects of products more vividly.

2.3. Content E - commerce model

Content E - commerce refers to the marketing process in which creators create or deliver valuable content through platforms and channels to stimulate users to consume. The common means include short videos, small videos, and graphic columns. Xiaohongshu, a platform centered around a content community, is a classic example of content E - commerce marketing[6]. Users on this platform share shopping experiences, beauty tutorials, and other content to recommend products and make purchases. In this model, content creators monetize their content to achieve product sales.

Unlike live - streaming, which focuses on real - time interaction, content marketing places more emphasis on the value of the information itself. Whether it is in the form of text, pictures, or videos, creators need to attract more potential customers to pay attention to the brand by releasing valuable content such as product tutorials, industry information, and user cases. Content marketing does not rely on aggressive sales advertisements but interacts with consumers through videos, text, and pictures to influence their consumption behavior. This requires a high level of professionalism and experience from the creators.

Content E - commerce is highly adaptable to modern digital platforms. High - quality content can not only attract users but also improve the ranking of websites or platforms in search engines. By optimizing content keywords and providing valuable content, content E - commerce can increase the organic traffic of websites and platforms and reduce customer acquisition costs.

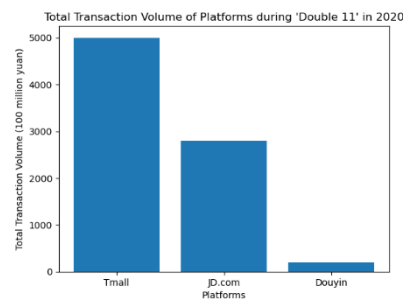## 3. Main threats and defects under the current business model

Figure 1: Total transaction volume of platforms during 'Double 11' in 2020'
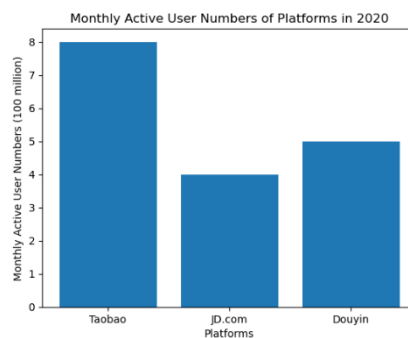

Figure 2: Monthly active user numbers of platforms in 2020

2020 was the second year that Douyin participated in the Double 11 E - commerce festival. According to official data, during the Double 11 period in 2020, the cumulative transaction volume of JD.com reached 271.5 billion yuan, that of Tmall reached 498.2 billion yuan, while the cumulative transaction volume of Douyin's live - streaming platform was only 18.7 billion yuan (Figure 1)[7]. In terms of the monthly active user numbers in the first half of 2020, Taobao reached 820 million, JD.com 420 million, and Douyin 470 million (Figure 2). Although Douyin's monthly active user numbers were comparable to those of traditional digital trade platforms, its sales ability was still far inferior to that of traditional E - commerce platforms based on the actual cumulative sales data of Double 11.

In fact, not only Douyin's E - commerce business, but also the actual transaction volumes of most social media platforms or content marketing platforms that attempt digital trade platform businesses are lower than those of traditional E - commerce platforms. The sales business is the main battlefield of digital trade platforms. Traditional digital trade platforms have a natural advantage in transforming into the media industry for marketing and have established strong consumer stickiness based on the shopping concepts cultivated among users over the years.

However, the social media - based transformation of traditional digital trade platforms has not been smooth sailing. On March 15, 2024, the media reported and exposed violations by multiple food companies in the production of a certain food, which seriously violated the "Food Safety Standards." After the report was released, some media pointed out that Dongfang Zhenxuan was suspected of having sold these non - compliant products on behalf of the involved enterprises. On the morning of the 18th, Dongfang Zhenxuan's stock price opened lower, with an intraday decline of more than 5% at one point. Subsequently, the company urgently responded and publicly apologized. Dongfang Zhenxuan's stock price gradually recovered, and the decline narrowed to 1.67% at the close, closing at HK$23.5 per share. In September 2023, Li Jiaqi, a popular live - streaming host on Taobao, questioned consumers' economic strength, jobs, and salaries when responding to consumers' questions during the live - streaming sale of a certain brand of eyebrow pencil. This incident triggered dissatisfaction among many consumers and was inconsistent with his long - packaged "male best friend" image. It directly led to a significant loss of his followers, continuous negative comments on his live - streaming room, and widespread doubts about the brands he endorsed.

The gap between the monthly active user numbers and transaction volumes of media platforms and the frequent "failures" of live - streaming hosts to promote products reflects that the current business model of the integration of China's digital trade platforms and social media platforms still has many threats and defects. The following part of this article will discuss these issues point - by - point and attempt to provide solutions.

4. Discussion and suggestion

4.1. Lack of incentives for repeat purchases

With a large number of live - streaming hosts driving the total commodity transaction volume to exceed the billion - yuan threshold, the live - streaming E - commerce business seems to be booming. However, behind the transaction volume exceeding one billion yuan, there is a return rate problem of 30 - 70%. Some hosts even hire people to brush orders or falsify data to exaggerate the transaction volume in order to improve their performance and influence. In the face of this phenomenon, platforms not only need to encourage high - value sales but also pay attention to user stickiness, ensure the authenticity of transactions, and continuously standardize the development of the industry[8].

Although most platforms have taken a number of measures to promote user activity, these measures have not effectively consolidated the transaction scale of the live - streaming sales model. In the highly competitive e - commerce environment, single - time consumption is difficult to build

a sustainable traffic closed - loop. Therefore, increasing the repeat purchase rate of consumers and user stickiness has become a key goal. Currently, the live - streaming e - commerce businesses of most media platforms lack effective incentives for repeat purchases.

Although promotional strategies such as coupons, red envelopes, and full - reduction offers can increase user activity in the short term, they may lead to a false prosperity in the long run. In contrast, enhancing user stickiness and increasing the repeat purchase rate are more effective. To encourage repeat purchases, merchants can be urged to optimize their operation teams, improve the quality of video content, attract more consumers to participate in live - streaming, increase repeat - purchase orders, and further enhance the overall stickiness of consumers to the Douyin live - streaming platform. Developing an effective repeat - purchase incentive mechanism requires in - depth understanding of consumer behavior, strengthening interactive incentives, stimulating consumers' interest, comprehensively optimizing the shopping experience, and enhancing the willingness to repeat purchases through process optimization.

4.2. Imperfect sharing, dissemination, and evaluation mechanisms

After comparing online media placement and offline channel promotion, user community sharing and evaluation have emerged as a more sustainable way to acquire customers. Under the current business model, it has become a mature practice for merchants to encourage and rely on consumers to spontaneously share product information for marketing. It is common for consumers to share products voluntarily to obtain more discounts. However, in content marketing and live - streaming sales, the situation of consumers' spontaneous sharing is relatively rare. Creators or hosts usually need to actively remind users to share, and this sharing is often one - way, that is, consumers unidirectionally transmit information to other users. However, issues such as whether the sharing is successful, whether there is false dissemination, and whether the sharing can truly attract new fans or re - attract existing consumers still need to be explored in depth. A simple sharing button may not effectively improve the marketing effect. In addition, it is also worth considering whether the sharing and positive reviews made by users to obtain discounts will lead to untrue evaluations.

Therefore, platforms need to continuously optimize their sharing, dissemination, and evaluation marketing strategies, increase the incentives of user sharing, and maximize the benefits of sharing marketing. This will help to enhance users' willingness to spontaneously transmit product information and ensure that sharing marketing truly plays a role.

Meituan has provided an excellent solution to related problems: Recently, in order to resolve disputes over negative reviews between users and merchants, Meituan launched a public review mechanism - the Xiaomei Jury. When there is a controversial negative review between a user and a merchant and it is difficult to reach a settlement, enthusiastic bystanders can sign up to be "jurors." They vote to judge the controversial negative review based on the materials provided by the merchant and the consumer. This mechanism not only resolves disputes but also spreads product information and reflects the true evaluation of related products.

4.3. Imperfect recommendation algorithm mechanisms

The core recommendation algorithm of social media platforms aims to achieve precise recommendations by matching individual content items with the preferences of individual users. Therefore, when a user's work receives a large number of likes and exposures, it will quickly attract a large number of users to visit the user's homepage and browse their other works. If these works can also receive high - level likes and resonance, the core recommendation algorithm will start to recommend the content of this creator to more users with similar interests. The inherent characteristics of social platforms determine that once a social chain is formed, for example, when a user follows a

blogger, all the videos, posts, or columns of this blogger will receive additional exposure through the social recommendation algorithm. High - quality content generates more social chains, thereby obtaining more active and passive recommended traffic. This recommendation mechanism has both advantages and disadvantages. The advantage is that it can help top - tier creators gather a large amount of traffic, but it may also make it difficult for mid - and long - tail creators to obtain sufficient exposure, especially for those creators with rich content but who fail to precisely attract users' interests. This phenomenon is particularly obvious when social media and digital business platforms are integrated, as low - attention and slow - growing stores or merchants may lose motivation and gradually disappear.

In addition, the content distribution of social media platforms focuses more on the content itself rather than the creator. This may make it difficult for creators to accumulate loyal fans who truly like their content and are willing to pay for it. Therefore, social media platforms need to continuously optimize their recommendation algorithms and content distribution strategies to promote diversity and fairness, support the growth and development of mid - and long - tail creators, and build a healthier and more prosperous creation ecosystem.

To solve this problem, platforms can first optimize the diversity and fairness of the recommendation algorithm: Platforms can adjust the recommendation algorithm to consider not only the number of likes and traffic but also factors such as diversity, timeliness, and personalization. For example, strategies such as random recommendation and interest - similarity recommendation can be introduced, and the exposure degree is not completely determined by the number of likes. Secondly, platforms should support mid - and long - tail content creators: Platforms can encourage mid - and long - tail content creators through specific support programs or community building. For example, launching special reward programs, dedicated zones, or themed recommendations for mid - and long - tail content creators to increase their exposure opportunities.

5.   Conclusion

From the analysis of this article, it can be seen that new - era digital trade platforms still have room for improvement in promoting repeat purchases and user evaluations. As is well - known, social media platforms seize the traffic dividend with their entertainment and content attributes, and users choose relevant platforms based on their needs for them.

Therefore, when social media platforms expand their digital trade business, they need to consider these factors. How to deepen users' dependence on content, enhance user stickiness, and convert original content - loyal users into digital trade platform users is a complex challenge in marketing. Over the years, although major platform enterprises have continuously experimented and the relevant industry scale has expanded rapidly, there are still some shortcomings in the transformation of user roles. To address these issues, platforms can optimize their marketing strategies, establish professional operation teams to incubate and cultivate excellent content creators, enhance user stickiness, further stimulate users' consumption desires, and ultimately achieve the commercial transformation of traffic[9].

The popularity of social media platforms continues to rise, and traditional digital trade platforms face many threats and challenges. Platforms need to find new breakthroughs and explore new paths for marketing, such as new models like live - streaming marketing, graphic columns, and juries, to inject new vitality into the development of digital trade platforms. In the context of rapid changes in the market environment, marketing strategies are undergoing new changes. Represented by platforms such as Taobao and Douyin, they utilize the social forms of the Internet age, combine marketing concepts with digital technology, and precisely and efficiently spread brand concepts to maximize commercial value.

How to give full play to the synergistic effect of the integration of digital trade platforms and social media platforms and achieve a marketing efficiency of 1 + 1 > 2 has become a problem that enterprises must seriously consider and solve in their operations.

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