

Tiktok Platform

-- Brand Marketing and Business Model Behind Live Commerce

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Abstract: With the rapid development of the Internet era, the consumption demand, form and mode of online consumers are constantly updated. Live commerce for selling products continues to open new channels for product sales mode through major social platforms. Tiktok is one of the most popular social short video platforms in contemporary times. Tiktok live broadcast brings new and intuitive consumption mode and immersive shopping experience to users and consumers. This paper mainly discusses the communication mode and marketing strategy of "Tiktok live broadcast with goods" under the background of the times through literature search and case analysis, and analyzes its business model and the relationship between the platform and its users and consumers. The purpose and significance of this paper is to understand the improvement, contribution and future development space of Tiktok live commerce and delivery in all aspects, also aims to understand the origin and future development of the live streaming industry, and bring a reference to people in this industry or interested in this platform.

Keywords: Tiktok live commerce, brand marketing, business model, consumer

1. Introduction

Since the advent of Tiktok short video platform, it has been mainly used to entertain the public at first. After that, according to the consumption habits of users and consumers, it has launched the live delivery mode, opening a new field. The purpose of live interaction is to promote products in a passionate way, so as to bring economic benefits and product marketing, and this system is now constantly improving. Especially after the outbreak of covid-19 in 2020, many offline businesses encountered bottlenecks. On the contrary, this is the golden opportunity of the live broadcast platform, and the consumption mode of online shopping has been continuously integrated into the public's life, becoming an indispensable part. In the future, with the further enrichment of content, more diversified scenes and new products, it is inevitable to help brand premium and improve popularity through this platform. The choice of shopping environment is expanding nowadays. Therefore, the next few years absolutely will be the golden period of the rapid development of Tiktok. This paper focuses on the brand marketing strategy and business model of Tiktok live commerce.

Brands can also promote brand interaction by using entertainment content that is considered interesting and fun on Tiktok platforms. Brand posts with funny stories, photo releases, and exciting

experiences help promote consumer brand interaction, thereby increasing consumer attention and willingness to participate in social media brand communities [1]. This paper mainly discusses the communication mode and marketing strategy of "Tiktok live broadcast with goods" under the background of the times through literature search and case analysis, and analyzes its business model and the relationship between the platform and its users and consumers.

Tiktok's slogan is a record of a better life. The significance of this paper's research is to explore how the platform uses live streaming to bring commercial benefits to products and people's word-of-mouth effect, and to bring some references to those who are interested in this field.

2. Overview of Live Commerce

2.1. Background and Definition of Tiktok Live Commerce

Nowadays, the growing popularity of live broadcast platforms has had a great impact on the marketing methods and user purchase behaviors of the company's products. A data shows that in June 2019, the total number of live broadcast users in Chinese Mainland reached 433 million, accounting for 50.7% of China's total Internet population. With so many users, the live broadcast platform has begun to reshape the marketing channel and enhance the marketing effect. During the "618" period in 2019, the live broadcast of Taobao brought commodity sales worth cny1.3 billion dollars. Compared with traditional marketing channels, the live broadcast platform has a more thorough impact on consumers' purchase behavior. Therefore, live broadcast is a novel and powerful marketing tool [2].

Live commerce refers to the use of live broadcasting technology to display products in close proximity in real time, reply to inquiries, and provide some other new services through the Internet, social media or some other platforms. Using live broadcast to enlarge the performance or advantages of products, so as to constantly attract new consumers, maintain existing old customers, and then sell products.

2.2. The Advantages of Tiktok Live Broadcast with Goods in the Context of Today's Era

2.2.1. Improve Sales

Consumers often think that the price of things in the Tiktok live broadcasting room will be more favorable than those in offline stores, and the product quality will also be guaranteed. The anchor will introduce the products in a detailed and comprehensive way so that consumers can intuitively feel whether the products are suitable for them and whether the quality is qualified. Compared with the shopping experience of offline stores, you can get a better shopping experience. By this way, it can bring considerable sales to the products.

2.2.2. Product Reputation Has Improved

Sometimes, an excellent product does not necessarily have a high reputation, which often depends on whether it has a good display platform and sales methods and channels. Selling goods through Tiktok live broadcast can not only improve product sales, but also enhance brand awareness. What a brand does is more than communication. If used properly, they will represent the customer's experience of the product and provide a focus for participation [3]. From person to person, which brings word-of-mouth effect.

2.2.3. Cater to the Psychology of Consumers

With the diversification of product characteristics and sales channels, consumers have more and more shopping choices. Tiktok live studio often catches users' consumption psychology, making users feel that the quality of the products they launch is qualified, the price is reasonable, and the cost performance is very high so that consumers will think they cannot miss such a good shopping opportunity. There is no reason not to place an order, or even regret not buying goods when they miss the live broadcast time. This shows that the live broadcast of goods caters to the psychology of consumers to a great extent.

3. Brand Marketing of Tiktok Live Broadcast Mode

3.1. Development Status of Tiktok Live Broadcast with Goods

According to the latest data released by Tiktok e-commerce on January 6, 2022, as of December 31, 2021, on the Tiktok e-commerce platform, more than 180million short videos were released on a monthly basis, more than 49.8 billion live viewers on a monthly basis, and more than 138.2 billion interactive content on a monthly basis. In December 2021, the search volume exceeded 5.5 billion, and users purchased more than 11.7 billion products in the whole year. In January 2022, the growth rate of Tmall, JD.com and Gmv increased by 10% year-on-year, and the growth rate slowed compared with the same period in 2021. Tiktok e-commerce Gmv accounted for 23% of Tmall and JD.com, with a year-on-year increase of 166%. Among them, clothing Gmv has surpassed Tmall and JD.com.

3.2. The Mode and Scale of Tiktok Live Commerce Are Growing Rapidly

A survey showed that more than 50% of online shopping of respondents came from live delivery. In particular, the COVID-19 has changed the marketing environment and consumption environment, and the offline sales mode has changed to the online mode, which in turn brings gold revenue for Tiktok live broadcast. In addition, the scale of the live broadcast industry is still not saturated, and it is expected to maintain a high growth trend in the next two years [4].

The main marketing modes of Tiktok include brand product placement, e-commerce live broadcast, star talent with goods and other video marketing promotion. In the later stage of operation and promotion, it is possible to implant brand product advertisements in the released small video works and directly release short videos. This method often effectively brings publicity and profits to the brand.

3.3. Marketing Strategy of Tiktok Live Commerce

3.3.1. Platform Framework

The Tiktok platform is equipped with many cutting entrances. As shown in Figure 1, it can be seen that different choices after clicking to enter the home page. The search page provides platform users with different options such as "Live Room" and "good thing recommendation", which users can click to watch according to their personal preferences. After officially entering the live broadcast e-commerce sector, the live broadcast page is roughly divided into four main functional modules: the list with goods, the live broadcast screen, real-time comments, and the shopping bar, with shopping carts and shopping links, which brings convenience to consumers and users. You can place orders quickly according to your preferences anytime, anywhere.

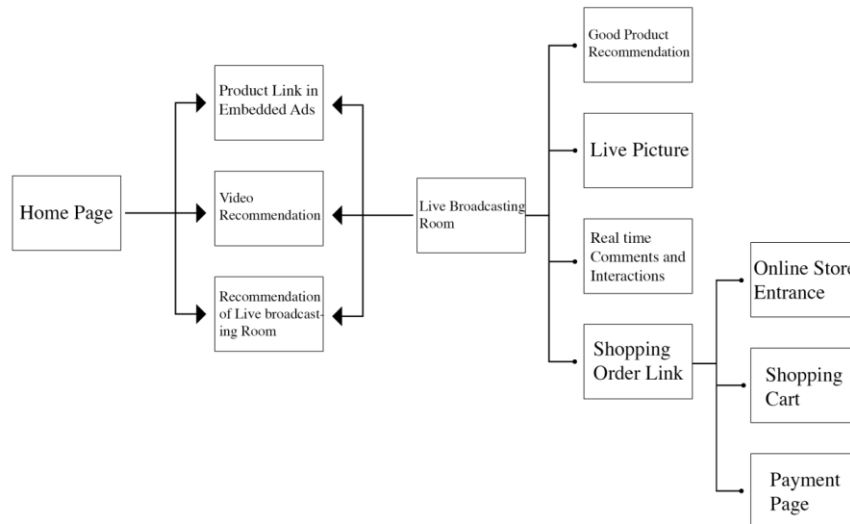


Figure 1: The main structure, click options and links of Tiktok live studio.

3.3.2. Target Consumers & Users

The early target users of Tiktok were mainly young people in the first and second tier cities. With the passage of time, residents of third and fourth tier cities have also become Tiktok users due to the trend. In terms of age group, most of the current main users of Tiktok are young groups such as post-90s, post-95s and post-00s. Of course, a small number of middle-aged and elderly people are attracted by the simple and easy-to-use Tiktok platform.

3.3.3. Characteristics of Marketing Mode

Spread more widely. Compared with the traditional offline marketing mode, Tiktok live broadcast with goods is easier to form viral transmission. The cost of live broadcasting is low. Traditional offline product marketing is time-consuming and labor-consuming, while Tiktok live broadcast only needs some basic electronic equipment. The person who initiated the live broadcast can be a large company or a new entrepreneur with individuals as the main body.

Have visual data. Data analysis can be carried out in the background. The specific analysis includes how many consumers pay attention to and place orders to buy products, how many users browse or forward videos to share with their relatives and friends, or how many users have high-frequency interaction with live broadcasts. Through these data, we can grasp the industry trend, adjust and optimize the form and strategy of live broadcast delivery, so as to achieve better marketing effect.

4. Business Model of Live Commerce Delivery on Tiktok Platform

4.1. Intuitiveness of Advertising Effect on Platform

The social media advertising market covered in market is segmented by advertisement type into micro blogging, photo sharing, video sharing [5].

The advertisements played on the Tiktok platform are very intuitive. First of all, the Tiktok platform will invite some stars or online celebrities to implant advertisements of the product into their published Tiktok works. Then they will announce the opening time of the live studio every day and the time and link of the product on the shelves. During the live broadcast, the anchor will show

the promoted products in front of the camera at a very close distance, and infinitely enlarge the functions, performance, features or other advantages of the products to capture the interests and purchase desires of users and consumers.

Because individuals have different self models, consumers show different attitudes towards the objects that shape these models, including interacting with brands that shape their self-concept. Brands that shape consumer identity will have stronger emotional reactions. Consumer reactions to brands include loyalty. By understanding the number of likes and views in the Tiktok live broadcast room, we can reflect the relationship between the brand's consumer participation and consumers' love for the brand and WOM [6].

4.2. Interaction with Consumers

In addition to the quality and cost performance of products, anchors are also particularly important. They can help consumers have a deeper understanding of the recommended goods. The anchor introduces the details of the goods to consumers through the exchange and interaction with consumers in the live broadcast room, attracts consumers through their own characteristics, and urges consumers to buy back the goods. The anchor can answer it in time, so that consumers feel valued and have a more comprehensive understanding of the goods. The more frequently the anchor communicates with consumers, the more consumers can improve their trust in the anchor. According to the feedback of consumers' needs, some anchors will adjust the focus of explanation, so as to create an emotional bond between consumers and anchors. Consumers' cognition and emotion will change with the strength of interactivity, so as to enhance consumers' identity and trust in anchors [7].

With the deep integration between the live broadcasting industry and other industries, more business models will emerge in the live broadcasting field in the future. All participants in the live broadcasting industry must make accurate judgments and choices about their own models [8].

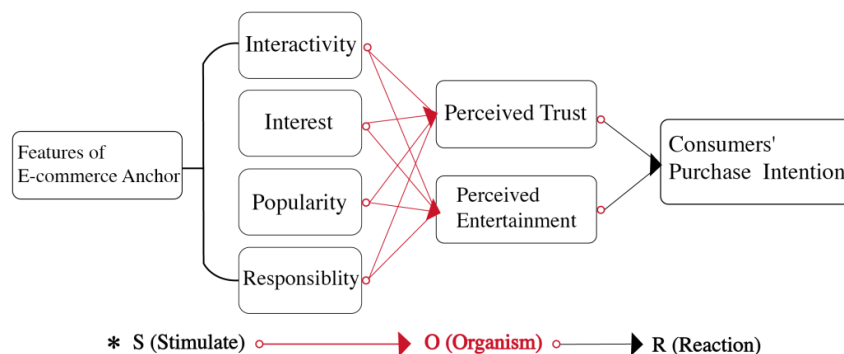


Figure 2: Conceptual model of e-commerce platform research [7].

4.3. Precise Positioning

The Tiktok platform first needs to analyze the needs of the target group, such as people's basic living needs, and think about what problems the promoted product can solve or improve for consumers, and whether the product can meet them. Secondly, it should be positioned in combination with the characteristics and preferences of the target group, such as subdividing the target group, whether it is the elderly, the middle-aged or the young, male or female, whether there is regional division, etc.

After having reliable and high-quality products, then sparing no effort to show its advantages, so as to win public praise.

Consumers choose products and brands not only because of their utilitarian values, but also because of their symbolic benefits. Brand has profound significance and helps to establish consumers' self-concept or identity. Consumers use brands to build themselves, show themselves to others, or achieve their identity goals [9].

5. Conclusion

Social networking sites are expected to become very effective marketing channels with minimal investment. The economic recession will only increase the use of social media by marketers[10]. Nowadays, live broadcast with goods is the most popular marketing method in the era of short video. It can not only advertise, but also bring marketing and economic benefits to products, and achieve a win-win situation.

This paper analyzes and summarizes from many aspects that the reason why Tiktok live broadcast platform can develop so rapidly is inseparable from its meeting the psychological needs of the public, social functions, marketing means, business models and so on. However, there may still be many problems with the Tiktok platform at present (such as regulatory issues, whether the anchor is dedicated, whether the content is guaranteed, etc.), and the author believes that Tiktok has more room for development in the future. Only by constantly innovating, constantly adapting to the development of the times, and meeting and catering to the aesthetics of the public, can we go further and further in the future development path and stand out among many short video platforms.

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At this point, my paper will come to an end for the time being, and I hope to have the opportunity to make more in-depth research in this area in the future. Here, I want to thank my paper teachers, who have worked hard from guiding my paper topic selection to finalization, helping me revise my paper again and again, helping me solve various problems in my paper, so that I can successfully complete this paper. Due to my limited academic level, I have received a lot of help and guidance. Thank you, teachers!

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