

Research on Marketing Promotion of Local Group Purchase Products in TikTok

Song Xixi^{1,a,*}

¹Central South University of Forestry and Technology, Hunan, 410004, China

a. 1067940575@qq.com

**corresponding author*

Abstract: With the rapid development of China's economy and Internet technology and the continuous progress of the human consumption concept, the local life group purchase application on the Internet is becoming more and more popular. Many leading enterprises in the Internet industry have gradually arranged local life group purchase businesses to promote consumers' consumption. This paper takes TikTok's local life group purchase business as the research object and analyzes the marketing strategy of TikTok local life group purchase.

Keywords: group purchase, consumption concept, TikTok, marketing strategy

1. Introduction

This paper studies the problem of short video software group purchase promoting consumption and finds out how businesses improve sales and profits through marketing. Internet local life group purchase is an Internet group purchase, which displays offline catering, beauty, leisure and entertainment, and life service physical stores on relevant platforms. Consumers can comprehensively and quickly screen out relevant business information and services that they need on relevant platform. This is also an effective channel for enterprises to expand customer market [1].

However, it is found that not all group purchase products can successfully promote the marketing level. Therefore, this paper is going to study how group purchase products can promote consumers' consumption and businesses' profits. Through the analysis of the two aspects of consumers and businesses, consumers take the form of questionnaires, while businesses take the form of private letters and telephone consultations. This paper aims to help businesses improve their performance and consumers buy more favorable goods.

2. Literature Review

With the rapid development of China's Internet economy, the consumption behavior of Internet users through short video e-commerce platforms is more frequent. This study takes TikTok short video platform as an example to deeply explore the impact of TikTok short video on consumer consumption market and consumer behavior [2]. At the same time, the use of TikTok short videos and consumer consumption are clarified. In combination with the characteristics of TikTok short videos, the paper puts forward countermeasures to guide consumers to consume rationally.

According to the principle of small profits and quick sales, a business can offer group purchase discounts lower than the retail price and high-quality services that can not be obtained by individual purchases.

After consulting the data and browsing TikTok, as an integrated short video platform for traffic, transaction, and content, many brands and individuals have opened stores on TikTok [3]. The goods they sell range from daily necessities to food, drink, and daily life. It can be seen that consumption economy, and it can also be predicted that it will play an important role in driving the market consumption economy in the future.

According to the data in the 2021 TikTok development annual report, short videos have directly affected the consumer behavior of current consumers. The video display of short videos can provide consumers with a more intuitive online consumption experience and is gradually developing into one of the consumption modes used by current consumer groups. In addition, TikTok short videos have strong user stickiness and are showing a year-on-year growth trend. In 2021, the total number of users exceeded 600 million, an increase of 50% over the total number of users in 2019.

The purpose of this paper is to investigate the causes and specific manifestations of these problems and study the problems and give relevant improvement suggestions, to help more businesses improve their performance and consumers buy more preferential goods.

3. Methodology

Problems in the marketing strategy of TikTok local life group purchase are as follows [4]:

1. Serious homogeneity of marketing means and lack of core competitiveness. From the perspective of marketing means, although the TikTok local life group purchase is displayed on the short video, live broadcast, or short video author's homepage in the form of window commodity links, it is only a difference in display mode. In essence, it is still a low-cost preferential group purchase to attract consumers. Some group purchases offer a price of one-fifth or even lower than the initial price of consumers to attract consumers so that consumers can change from passive viewing to active consumption.

2. Imperfect search function and inflexible marketing mode. TikTok local life group purchase is a platform that uses a big data algorithm to analyze users' browsing habits and accurately push some products to consumers according to their daily preferences. Users have no way to search for the corresponding results according to their own needs. This push mode alone seems too rigid and inflexible to meet the needs of users in all directions.

3. Lack of real evaluation, easy to makes consumers lose trust. Although most TikTok local life group purchases are more preferential than those on other platforms, the number of evaluations is small. In addition, the short videos of various online celebrities are almost unanimously praised. This will make consumers mistakenly think that the group purchase mode is the advertising of the corresponding business. This evaluation mechanism can not provide a reference for consumers to select good and inexpensive goods or services, and ultimately consumers will lose their trust in the platform group purchase.

4. Low entry threshold, unable to keep up with the after-sales service level. At the early stage of the development of TikTok local life group purchase, TikTok was eager to develop and expand its scale due to the limited number of businesses it currently owned. It lacked an assessment of the actual overall comprehensive level and business strength of the business settled in, which led to the low threshold for TikTok group purchase. Some businesses with low comprehensive strength are unable to provide high-quality services when group purchase consumers go to the store, which directly causes customer dissatisfaction. And under the temptation of strong discounts, consumers often make impulsive consumption without evaluating the product quality of the business.

The research object of this paper is mainly to conduct a questionnaire survey on TikTok users and consumers, as well as to make statistics on the sales volume of group purchase business' products, and to consult some businesses [5]. As we are now in the period of COVID-19, the questionnaire cannot be conducted offline. This paper adopts the form of an online questionnaire. The online questionnaire is mainly targeted at consumers and investigates a series of questions about short video group purchases. The questionnaire is conducted by online questionnaire, which is distributed to the TikTok platform and the TikTok users. For businesses, they use the form of telephone consultation and TikTok private letters to understand relevant information. This questionnaire survey is mainly discussed from the following main parts, including the use of TikTok short videos and the consumption of e-commerce platforms by the respondents, and the reasons and problems related to TikTok e-commerce consumption [6]. At the same time, this paper also directly inquires about group purchase sales comments and other information through the TikTok platform to assist the research.

The questionnaire mainly involves the following aspects:

1. TikTok users have consumption ability and demand.
2. General usage time of TikTok users and proportion of group purchase-related content.
3. Users' preferences and reasons for buying group purchases
4. The consumption behavior is affected by other internal and external factors
5. Experience and evaluation after group purchase
6. Influence of short video publicity on consumption

The obtained data and information are summarized in a table for analysis. The correlation analysis is carried out on the promotion strength of TikTok video and the group purchase discount strength to consumers' purchasing attraction. Study the promotion of short videos on consumption through relevant economic knowledge. According to the research results and relevant analysis, suggestions are given to enable consumers to better carry out group purchases and businesses to improve their performance while maintaining high-quality group purchase products.

4. Result

This paper adopts the form of an online questionnaire. The online questionnaire is mainly targeted at consumers and investigates a series of questions about short video group purchases. This questionnaire is mainly discussed in the following main parts. They are the respondents' use of TikTok short videos and consumption of e-commerce platforms and the reasons and problems of TikTok e-commerce consumption. Investigated the audience's TikTok use, consumption expenditure, viewing time, purchase tendency, and consumption behavior.

4.1. Age of Respondents

The online questionnaire is distributed randomly, involving all age groups. A total of 104 valid questionnaires were collected. 4.76% of the population aged 18 to under 25 years old. 44.76% of the population aged 18 to under 25 years old. 12.38% of the population aged 25 to under 35 years old. 19.05% of the population aged 35 to under 45 years old. 12.38% of the population aged 45 to under 60 years old. 6.67% were over 60 years old. The statistical table is as follows:

Table 1: Table name.

Age range	Quantity	Proportion
<18	5	4.76%
18-25	47	44.76%
25-35	13	12.38%

Table 2: (continued).

35-45	20	19.05%
45-60	13	12.38%
>60	7	6.67%

4.2. Usage of TikTok

A large majority of respondents know and are using short video software such as TikTok. The questionnaire results show that 76.19% of the respondents said they were using the Tiktok short video app, and another 13.33% of the survey samples said they had not used the Tiktok software but know it. But there are still 10.48% of the survey samples who have never known TikTok. The results show that TikTok short video has covered most mobile user groups. The statistical table is as follows:

Table 2: Table name.

Option	Quantity	Proportion
Contacted and in use	80	76.19%
Know but haven't use	14	13.33%
Don't know	11	10.48%

4.3. Duration of Tiktok

The user's use time determines the user's stickiness and demand for the Tiktok platform. In the user survey, it is also clear that the majority of users watch Tiktok for about one hour every day. This shows that users generally spend a long time watching Tiktok, and users have good stickiness. Tiktok short videos are gradually developing into an important entertainment mode for short video audiences. The statistical table is as follows:

Table 3: Table name.

Duration	Quantity	Proportion
<30min	25	23.81%
30-60min	41	39.05%
60-120min	14	13.33%
>120min	25	23.81%

4.4. Group Purchase Product Experience

According to the results of the questionnaire, most of the respondents have purchased or often purchased Tiktok group purchase products. This shows that this new consumption mode is also popular and has its advantages. The statistical table is as follows:

Table 4: Table name.

Option	Quantity	Proportion
Frequently	19	18.10%
Occasionally	52	49.52%
Know but haven't bought	18	17.14%
Don't know	16	15.24%

4.5. Purchase Preference

The content of the questionnaire also includes preferences for purchasing products. Different users have different purchase needs due to their interests, life needs, and favorite anchors. Dividing product categories in the survey can accurately locate which product categories TikTok users prefer. To define the product consumption needs and content preferences of TikTok users, the following is a survey of TikTok users' purchase preferences. The statistical table is as follows:

Table 5: Table name.

Option	Quantity	Proportion
Food	59	56.19%
Entertainment	40	38.10%
Beauty products	35	33.33%
Clothing	36	34.29%
Learning materials	16	15.24%
Other	14	13.33%

The survey results show that most respondents prefer to buy food and entertainment products.

4.6. Main Reasons

Consumption behavior is influenced by internal and external factors. The main reasons for consumers to buy group buying were investigated. What factors affect their consumption behavior?The statistical table is as follows:

Table 6: Table name.

Reason	Quantity	Proportion
Preferential price	33	31.43%
Recommendation of netizens	19	18.10%
Attraction of short videos	30	28.57%
Recommended by friends	11	10.48%
Other factors	12	11.34%

Through the results, it is found that most consumers are attracted by TikTok's short video content and businesses highlight sufficient preferential power.

The above is the contents and results of all the investigation reports. Through this result, we have a certain understanding of the general content of consumers' group purchase products. After clarifying the consumer behavior of TikTok users, it is found that TikTok short videos do have a strong commercial drainage capacity. TikTok can positively guide consumption and economic growth, and the effect is remarkable.

5. Discussion

Through the above investigation and analysis, TikTok group buying becomes more popular nowadays. More people are willing to choose the method of a short video group purchases for consumption. The main reason is that businesses introduce discount products and relevant short videos to attract customers.

In addition to the questionnaire, I also investigated and asked some consumers about Tiktok group purchase products. Most people think that Tiktok group buying is very preferential and attracts customers. Some customers are worried that the products are too preferential to guarantee product quality. So we asked some businesses by private letter and telephone to find out the relevant matters of group purchase products. The reason why business launch group purchase products are mainly to attract customers so that even if the discount is large, they can earn huge profits due to the huge passenger flow.

Many businesses simply use low prices to attract customers, which is not long-term and will bring great negative effects. While the business is busy, the customers can't get a good experience. Moreover, most of the customers they attract are wool gangs who are greedy for cheap and have no loyalty. Therefore, when setting up group purchase packages, businesses cannot blindly choose low prices. Businesses generally set up three types of group purchase products. The first type is diversion of money, which is generally no profit, just to attract customers. The second type is activity funds, which are generally the most characteristic products of businesses that are sold at low profits. The third type is profit, which is similar to single-person meals and multi-person meals. It is the main profit of the store [7]. These experiences can be used as a reference for some businesses who want to participate in group purchase of products.

To maximize the profits of the business by increasing sales, optimizing marketing methods, launching higher quality group purchase products, and letting customers buy higher quality and more preferential group purchase products, this paper gives some suggestions

5.1. For Business

The marketing methods of the products of business are all based on the 4P marketing theory(4P marketing theory can be summed up as a combination of four basic strategies, namely product, price, promotion, and place). Group purchase products also need to be considered from these four aspects. Pay attention to the functions of development, require the products to have unique selling points, and put the functional demands of the products in the first place. According to different market positioning, different price strategies are formulated. The product pricing is based on the brand strategy of the enterprise, and attention is paid to the gold content of the brand. Enterprises do not directly face consumers but pay attention to the cultivation of distributors and the establishment of sales networks. The contact between enterprises and consumers is through distributors. Promotion should be a series of marketing activities including brand promotion (advertising), public relations, and promotion.

Businesses generally set up three types of group purchase products. The first type is diversion of money, which is generally no profit, just to attract customers. The second type is activity funds, which are generally the most characteristic products of businesses that are sold at low profits. The third type is profit, which is similar to single-person meals and multi-person meals. It is the main profit of the store. These experiences can be used as a reference for some businesses who want to participate in group purchase of products.

5.2. For Internet Celebrity

When online celebrities publicize group purchase products, they need to accurately position the direction of goods. TikTok's user base has exceeded 600 million people. As a public figures with social influence, TikTok celebrities should not only maintain their appearance and personal temperament but also establish the correct "Three Outlooks", because a large part of users' consumer psychology comes from their love and trust in online celebrities.

5.3. For Consumer

In the process of purchasing group purchase products through the platform, users should have rational thinking and reasonably judge the purchase risks. When buying, consumers should not blindly trust the anchor to blindly consume but should take the initiative to ask for commodity information from the background, interact with other consumers in the comment area to exchange product information and choose brands and products with good reputations. Consumers should set a short cooling-off period for themselves before buying, analyze the quality of products according to the price, brand, materials, specifications, and other information, and avoid impulsive consumption caused by excessive guidance of online celebrities' words and behaviors.

As a rising star in the field of e-commerce consumption, Tiktok short videos are rapidly seizing the e-commerce market, and the support of short videos has fundamentally affected consumers' purchasing ideas. Through the research on the consumption behavior and marketing mode of a short video group purchase, this paper clarifies the influencing factors of the Tiktok platform on current users' consumption and clarifies that the consumption influence and user coverage of Tiktok short video platform on users are increasing year by year, providing suggestions for better consumption by consumers and better profits for businesses.

5.4. Limitations of the Study

This paper mainly studies the marketing model of group purchase products, how to attract consumers and how businesses make profits. The main defect of the research lies in the lack of economic theoretical support and demonstration process. And the questionnaire base is small, which may be accidental.

6. Conclusions

By studying the problem of short video software group purchase promoting consumption, this paper finds out how businesses improve sales and profits through this way, that is, marketing, to help more businesses improve their performance and consumers buy more favorable goods. The results show that nowadays group buying has become a more popular form of consumption. Many businesses launch groups buying products with preferential prices to attract customers. At the same time, businesses highlight multi-category groups buying products to achieve different purposes, such as attracting publicity and making profits.

References

- [1] Mao Wei. Discussion on Marketing Strategy of Meituan.com Group Purchase (Chinese)[J]. China Market, 2020(36):134-135. DOI: 10.13939/j.cnki.zgsc.2020.36.134.
- [2] Sun Pengfei. TikTok Wants to Do Meituan Business (Chinese)[N]. It-times, 2021-08-13(002). DOI: 10.28404/n.cnki.nitsd.2021.000372.
- [3] Li Meilu. Analysis on marketing strategy of group buying of local life [J]. Modernization of shopping malls (Chinese), 2022(01):51-53. DOI: 10.14013/j.cnki.scxdh.2022.01.019.
- [4] Zhang Yixuan. Research on the Impact of Dithering Short Video Economy on the Consumer Market and Consumer Behavior in Shandong Province (Chinese)[J]. Marketing of time-honored brands, 2022(14):37-39.
- [5] Li Wei. Research on short video platform product promotion strategy in the context of consumption structure upgrading -- Taking TikTok as an example (Chinese) [J]. Journal of Hubei University of Economics (Humanities and Social Sciences Edition), 2021, 18(09):54-56.
- [6] Feng Zhiming. Body consumption and its diversified presentation -- taking individual performance practice in dithering and quick hand short videos as an example (Chinese) [J]. Journal of Southwest University for Nationalities (Humanities and Social Sciences Edition), 2020, 41(11):156-161.
- [7] Zhao Xing. The Influence of Online Short Videos on the Consumption Behavior of Young People and the Solutions [J]. Beijing Youth Studies, 2019, 28(02):58-61.

- [8] Wu Jiayi. *Research on IP Economic Model Based on Short Video Platform -- Taking TikTok as an Example* [J]. *E-commerce*, 2020(07):20-21. DOI: 10.14011/j.cnki.dzsw.2020.07.009.
- [9] Chen Ziyi, Liu Liqiong. *College Students' Attitudes toward TikTok E-commerce: from the Perspective of Marketing Strategy*(Chinese)[J]. *Chinese Business Theory*, 2022(13):42-44. DOI: 10.19699/j.cnki.issn2096-0298.2022.13.042.
- [10] Yi Famin, Fan Gaofeng. *An Empirical Study on the Effects of Consumer Purchase Intention on Online Shopping Behavior—Taking College Students in Guangzhou as an Example*(Chinese)[J]. *Journal of Hainan University (Humanities and Social Sciences Edition)*, 2010, 28(05):66-73. DOI: 10.15886/j.cnki.hnus.2010.05.017.
- [11] Ge Minmin. *Analysis on the operation strategy of mobile short video -- taking TikTok short video as an example* [J]. *Modern Marketing Business Edition*, 2021(09):186-187. DOI: 10.19921/j.cnki.1009-2994.2021-09-0186-091.
- [12] Zhang Xinfang. *Research on Communication Effects and Strategies of Short Video Marketing*(Chinese)[D]. *Shandong Normal University*, 2020. DOI: 10.27280/d.cnki.gsdsu.2020.000606.
- [13] Wang Huabo. *Highlight the importance of after-sales service in modern marketing* [J]. *Oriental corporate culture*, 2010(02):109.
- [14] Tian bin. *Research on content production and communication mode of mobile short video application* [D]. *Hebei University of economics and trade*, 2018.
- [15] Wang Bingcheng, Li fengjuan, Cui Wei. *The influence of short video life field restoration on consumers' purchasing intention* (Chinese)[J]. *Consumption economy*, 2022, 38 (04): 74-83.
- [16] *Relationship management through social media influencers: Effects of followers' awareness of paid endorsement*[J]. *Public Relations Review* Volume 45, Issue 3. 2019. PP 101765-10176.
- [17] *The role of live streaming in building consumer trust and engagement with social commerce sellers.*[J]*Journal of Business Research* Volume 117, 2020. PP 543-556.
- [18] *Vicariously touching products through observing others' hand actions increases purchasing intention, and the effect of visual perspective in this process: An fMRI study.* [J]*Human brain mapping* Volume 39, Issue 1. 2018. PP 332-343.