

Analysis of the Rise of Douyin

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Abstract: Douyin is a short video-sharing mobile app that is similar to famous social media platforms like Instagram and Tiktok. The paper highlights the key features of Douyin, and its effect on short-video marketing in the field of literature and research. The paper will introduce the development of short video marketing, discuss the impact of Douyin on short video market, and provide suggestions for companies to better utilize Douyin. Moreover, the paper will highlight the development trends of Douyin and its impact on short video marketing in the future. The research method applied in the paper was focused on the four channels of sales promotion, individual behavior, content creation and influencer endorsement. The survey included companies such as Instagram, Twitter, and Snapchat. Document analysis included the specific promotion channels, the promotion time frame and promotion percentage. The results of this research showed that almost three-quarters of the companies (72.2%) employed social media marketing strategies. Douyin has played a significant role in the rise of short video marketing. Douyin has opened a new channel for product promotion and brand-building activities. Douyin's rapid development has brought about a change in distribution strategies of online content. Short videos are more attractive than traditional videos because of their shortness and popularity among people. In addition, it can make product promotion more effective and convenient because companies do not have to pay for ads on TV advertisements anymore due to the high cost. Douyin can also be used as a channel for recruitment and influencer endorsements. The rapid development of Douyin has brought about changes in how people consume media.

Keywords: Marketing, Entertainment, Internet, Content marketing, Live streaming, Short video

1. Introduction

The entertainment industry has long been one of the major industries in the development of human society. This industry's continuous development and changes are closely related to the changes in people's consumption and the development of their lifestyle. With the rise and popularity of smart mobile Internet technology, this trend is still developing today. In recent years, due to the rise of Douyin, a powerful short video-sharing mobile Internet platform in China, it has brought about unprecedented changes in consumer behavior and new marketing demands. The Chinese market has entered a new stage of development and marketing, bringing us new challenges and opportunities. Douyin is a short video-sharing mobile app that is similar to famous social media platforms like Instagram and Tiktok. Although Instagram has also added the function of short video sharing since

2017, the development of Douyin can be seen as a trend different from that of Instagram or Tiktok. Douyin has become one of the most prominent short video platforms in China. The emergence and development of Douyin began when user behavior changed from pure viewing to interactive communication. It has not only brought new opportunities for marketers but also posed challenges for them when developing marketing strategies[1]. With the dynamic development of the entertainment industry, the development of short video marketing has brought new changes to the Chinese market and future development trends. The paper will highlight the new digital marketing trend, the development of short video marketing and the Douyin phenomenon, and finally analyze the development trends and direction of China's short video market.

2. The Status of New Media Marketing before the Rise of Douyin

Over the past decade, marketing has become increasingly involved in reality. According to the most common definition, marketing is creating value for customers through a continuous process performed by a marketer[2]. It is a marketing process that uses various organization, management, and research methods to understand, predict, and satisfy customer needs and wants in the context of competition. Marketing has increasingly become more interactive in today's highly diversified market environment. Customers can be said to be a kind of media because they are the key to providing information for marketers through participation in a certain product or brand[1]. Digital marketing is one important trend that has changed digital consumer behavior. The Internet has become an important channel for transmitting information between consumers and businesses. Thus, marketers have turned digital media into their most important marketing tool for their success.

2.1. Marketing Mode

The marketing mode before Douyin is mainly focused on promoting the value of products and services. To do so, marketers use a variety of marketing techniques such as advertisements, public relations and packaging. Marketers usually need a substantial amount of money to carry out this type of marketing mode. In the traditional media field, advertising is often used to promote more than 70% of all brands[1]. According to the most common definition, social media is interactive media that presents and shares information among people in the context of a community. Social media platforms help users share and interact with one another on relevant topics, thus bringing about changes to digital consumer behavior and business models[1]. As argued by Liu, marketing before the rise of Douyin was only focused on selling products and singly targeting customers[3]. For example, Chinese companies advertised through TV commercials or printed media such as newspapers or magazines. Marketing before the appearance of Douyin was difficult to achieve diversification and profitability. Marketing has been continuously developed into a new form and market which is different from traditional market-based marketing. The process of media building for promoting a product has changed from complete product marketing to partial product marketing and began to develop a new stage called mass media[4]. Kaye et al. asserts that marketing before the rise of Douyin still requires efforts in the creation of mass media so that a medium can be converted into an advertising medium[5]. At this stage, marketing demands from companies can be summarized as follows: to promote their products through promotion and branding, promotion and advertising, promotion and persuasion and promotion and support[4]. Before the emergence of Douyin, there were not many products with short videos. The products that existed were mainly focused on fashion shows or product demonstrations on customer demand. Moreover, most short video marketing was aimed at entertainment markets on the basis of TV commercials or short films for film studios. For instance, marketing focused on promoting brand awareness, attracting potential consumers' attention and persuading them to choose a certain brand. However, traditional advertising media (such as newspapers, magazines and TV)

were limited in their scope and were difficult to become effective. The development of Internet technology created new opportunities for companies to promote products. For example, online marketing can provide a modeling function to support the service planned by companies. In addition, it can also provide more detailed and faithful advertising services that are not limited to product promotion[5]. To sum up, although traditional media were still used in marketing, they have become less effective in the process of persuasion.

2.2. Market Trend

The market trend before the rise of Douyin, as argued by Ma, was based on product promotion and brand recognition[6]. Therefore, the development of marketing in the past was focused on product promotion and brand recognition, which posed a problem for companies. Companies might pay more attention to product promotion, but did not take the advertising medium seriously. Advertising was seen as a tool for product promotion. Companies and organizations in the e-commerce industry were mainly focused on product sales and brand promotion. Marketers were mainly focusing on brand image and the promotion of brands. The advertising direction was based on sales performance management, whose purpose was to serve the needs of consumers[5]. Take “lucky draw” as an example, there are many people who buy products in order to enter a lottery, but they do not know whether they will win. Marketing companies try to make consumers feel confident about the product and service[6]. However, Ma holds that because this is an individual case, marketing companies should increase their efforts in branding their products[6]. After the rise of Douyin, on the one hand, companies were interested in innovating new products and branding. On the other hand, they were awakened by the growth of short video marketing that provided new opportunities for promoting these products. In addition to traditional media, Internet marketing has been developed into simple and inexpensive channels to promote a product quickly and effectively[5].

Before Douyin's rise, trends in the market were focused on increasing profits through product promotion rather than increasing market share. This meant that companies could not effectively use traditional advertising media. Also, traditional advertising media were not suitable to satisfy the needs of customers. To sum up, some companies attempted to introduce new products and services at the beginning of their development and quickly achieved sales growth. However, these companies could not achieve sustainable development in the long run. In order to develop products and services, companies should have a stable market share. In such a way, they will be more likely to sustain product profit growth in the future [6].

3. The Status of New Media Marketing After the Rise of Douyin

Mobile Internet has become an important channel for marketing and consumption change. In the past two to three decades, the fast transformation of consumption in China has also led to profound changes in media consumption behavior. For this reason, numerous experts pointed out that the rapid development of internet technology will lead to many new commercial opportunities[1]. The explosion of social networking sites has created a deep impact on people's daily lives. Therefore, business management needs to be more flexible with the development trends of social networking platforms.

As put by Zeng and Lin, since the decline of TV advertising, TV commercials have been replaced by short video advertising[7]. For example, companies now use short video ads to advertise their products. In addition, short videos are more vivid than traditional ads and have a better sense of belonging to Internet users[8]. These videos have become an innovative form for companies to promote their products and services in online marketing after the rise of Douyin. The Chinese market has now entered a new stage of development and marketing, which brings us new challenges and

opportunities. Douyin from a short video sharing mobile Internet platform, it has brought about unprecedented changes to consumer behavior and new demands for marketing[9]. After Douyin rose to prominence in the market, many companies have tried to imitate its business model by using a variety of media including online advertising, online contests and social media activities.

3.1. The Reason Why Douyin Goes Went Viral

Douyin went viral, as argued by Chen et al., because of the development and revolution in mobile Internet [8]. The rise of Douyin could also be attributed to a variety of reasons. First, the fast and convenient international transfer for people who consume online content is an important factor that has caused a large number of consumers in China to turn to Douyin[7]. Also, some people use Douyin as a way to promote products. For example, some companies have used Douyin as a platform for consumer education, product promotion and brand awareness. Other companies have participated in competitions hosted by Douyin using products as prizes[5]. The second reason for Douyin's rise is that of the company's interesting business model. As manipulated by Zeng, Douyin has built a revenue model based on user sharing revenue[7]. Since money is no longer used as a medium for product promotion, companies are not forced to make difficult choices about their pricing strategy in the future. It is worrying that the money spent on short video advertising accounts for more than half of the total advertising spending[7].

3.2. A new Market with a New Platform

The rise of short video market brought about a revolution in market competition. The number of participants in the short video market increased rapidly, and several major platforms were found to be increasingly active. Their promotional strategies became more diverse and sophisticated, ranging from product promotion to brand-building activities. Short video marketing is a relatively new phenomenon and needs more investment from companies. After the rise of Douyin, companies have become increasingly interested in the platform's new features and applications [5]. There is a direct relationship between Douyin' popularity and its users. The development cycle of Douyin also contributes to a large extent to the marketing development of this application. After its initial release, Douyin quickly became a hot topic in the Chinese public media. Many companies have been tracking the development from the very beginning, before Douyin's official launch. The emergence of Douyin provided new opportunities to increase market share by advertising. Douyin provides a small-scale platform for launching a business and advertising a brand through short videos. It has enabled companies to promote their products at low costs and quickly. Value transfer is easy and more cost effective than traditional advertising media because the product owner does not need to pay for ads on short videos, creating a more favorable environment for the company [3]. Furthermore, the rise of Douyin was accompanied by changing consumer behavior from only consuming media (such as TV) to interactive communication through short videos [1].

3.3. The New Marketing Mode

The rise of Douyin has changed traditional marketing channels. Some companies have taken advantage of the new mobile Internet platform to build new innovative and effective marketing strategies. For example, in the past Douyin used sponsored marketing end-to-end, starting from the commercialization of the product until its distribution. Now a large number of products are distributed successfully by Douyin in a business model that is based on sharing revenues [10]. Opportunities are available to promote goods such as mobile phones and computers through this medium [11]. In fact, most products that have been promoted by Douyin are being sold and distributed actively after just a few days after they have been launched through this medium. As claimed by Xu et al., the rapid

development of Douyin has brought about a change in the distribution strategies of online content [12]. Through the fast and easy international transfer, people can consume and share short videos 24 hours a day, seven days a week [11]. In fact, many users have turned to Douyin to consume short video content. The short video is also used for product promotion and brand-building activities. Short video advertising is more cost-effective and convenient than traditional media because it does not require companies to pay for ads on a TV advertisement [7]. Douyin has also brought about changes in how people consume media. Content producers have found that short video has become a more effective way to attract attention from consumers and increase their market share. Short videos are more attractive than traditional videos because of their shortness. In fact, the distribution of short videos on Douyin has become a new marketing channel for companies [1].

4. Case Study Research of Development Trends

4.1. Brands in Various Short-Form Video Marketing

The rise of short-form video marketing in recent years, a large number of brands have actively participated in short-form video marketing activities. Brands such as Jingdong and Snail Communications Company have dedicated an account to Douyin through which they release various commercial messages and advertisements [1]. For example, Douyin's top marketing channels are advertising and product placement, with each accounting for about a quarter of the total number of marketing channels. As mentioned by Liu, Jingdong has released a series of short videos related to the launch of Jingdong products on Douyin [3]. The videos are usually highly effective in attracting attention from users and have been widely shared among people. Snail Communications Company used short videos for consumer education, product promotion and brand awareness before it released its own channel on Douyin. Snail Communications Company has also used short videos for major holidays, such as the beginning of the Chinese lunar calendar to celebrate the Spring Festival and National Day, as well as online shopping festivals [1].

Douyin has also been used by some companies to recruit their own employees. For example, IBM uses Douyin in its recruitment of graduates. Through this channel, IBM not only introduced its brand and products but also communicated with users in a more effective manner. In addition, the development of influencer endorsement is also closely related to the promotion of brands on Douyin. Douyin is already a powerful channel of influencers and their endorsement. For example, Douyin's top influencer participants are Baidu's Duer, Tencent's Jinxin, Huawei's Yiding and Pocashipping.com [1]. Moreover, the rapid development of influencer endorsements has made it possible for big brands to use Douyin as a platform to participate in marketing with less cost than before [11].

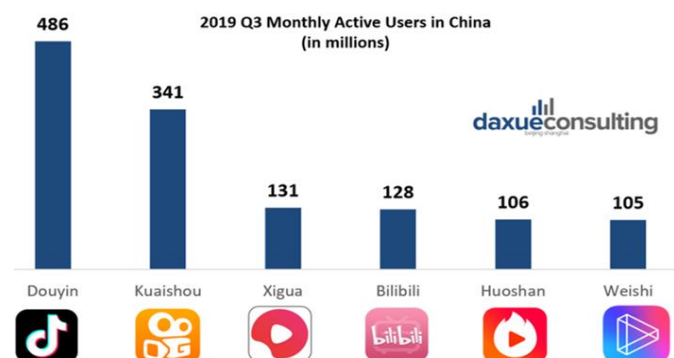


Figure 1: Chart showing number of active users between livestreaming platforms [13].

4.2. The Specific Impact of Live Streaming

Live streaming on Douyin was beneficial since it brought people closer to the original creators and made it possible for them to enjoy a more personalized experience [1]. Live streaming is not only the hottest entertainment trend but also a new form of real-time communication that allows users to share their own lives with friends and family.

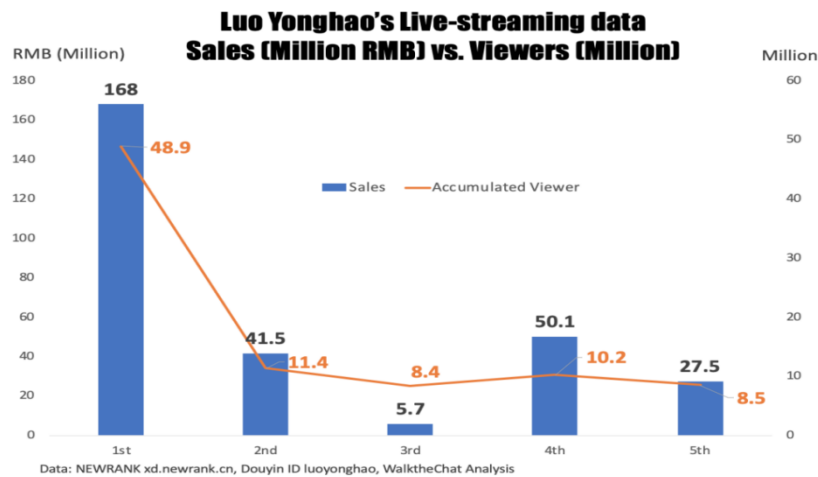


Figure 2: Graph showing the amount of data sales of Douyin in China [14].

Live streaming on Douyin has also become a new way for celebrities and fashion influencers to interact with their fans and followers. Live streaming also brings about a negative social impact. For example, live streamers can produce content without considering others' feelings or without restriction, which can lead to undesirable consequences from violent content, pranks with the sexual implications or harmful information [1].

5. Conclusion

In conclusion, Douyin has played a significant role in the rise of short video marketing. Douyin has opened a new channel for product promotion and brand-building activities. Douyin's rapid development has brought about a change in the distribution strategies of online content. Short videos are more attractive than traditional videos because of their shortness and popularity among people. In addition, it can make product promotion more effective and convenient because companies do not have to pay for ads on TV advertisements anymore due to the high cost. Douyin can also be used as a channel for recruitment and influencer endorsements. The rapid development of Douyin has brought about changes in how people consume media. Douyin is an effective platform for product promotion, brand-building and influencer endorsement compared with other media because it is simple to use, new and fashionable among young people. In fact, Douyin has become a powerful channel of influencers and their endorsement. From the research, future improvements that can improve the impact of Chinese short-form video marketing are as follows: For content producers, develop more effective video production methods to improve the online effects; For brands, use Douyin's function of collaborative filtering and tracking to improve the effectiveness of keywords and keywords usage.

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