

Research on the commercial model and marketing strategy of Tik Tok live streaming

Zhuoyao Wu*

Shanghai Adcote school, Shanghai, 200000, China

*Corresponding author: Polarone88@polarone.cc

Abstract. Tik Tok is now one of the most relied on platforms by all young people; even some elders and office workers will spare their leisure time to entertain themselves on Tik Tok. The Tik Tok platform has videos, just like elders can watch live sports and food on Tik Tok. But TikTok is not perfect. When you have a lot of different people on the platform, there's always something to work on. Some problems have been on the platform for a long time, and there is no good way to improve them. Conducting customized experiments to study this topic, this paper collects basic Tik Tok user information and some live broadcast modes through questionnaire surveys or interviews to better understand Tik Tok's business model and live broadcast strategy. After collecting enough materials, screening is carried out, and finally, the results and conclusions are drawn using materials, real data on the Internet, and literature. Hence, this article is to do some research on Tik Tok and some suggestions to write out, but also better service for users.

Keywords: Commercial model; Marketing strategy; TikTok; Live streaming

1. Introduction

1.1 Research background

With the rapid development of society, science and technology are becoming more sophisticated, and the media are developing continuously. TikTok, a short video social app owned by ByteDance, will set off a wave of live sales and marketing. According to research on the live marketing strategy of agricultural products on the Tik Tok Platform, it has gained opportunities for agricultural products to change, changed the unsalable state of agricultural products, and become the favorite of most netizens. The group is divided in a targeted way to gain many fans with real content and live broadcast effects. But for the diversification of The Times, do customers think that all unsold products or products that young people in today's society no longer need can grow rapidly on the platform, like agricultural products? Or will only some of the unsold items become popular again? To quickly grasp the strategy of Tik Tok short video and live broadcast and clearly understand this strategy's advantages and disadvantages, this paper needs to conduct further academic research.

With the continuous development of the Internet new media platform, a series of ways of live streaming and carrying goods have emerged. Taobao live streaming and carrying goods has become a relatively familiar way. In recent years, as Tik Tok's short video shooting became more and more well-known, Tik Tok also began to appear online celebrity live streaming, which later developed into online celebrity live streaming. Now it is not only Internet celebrities who use Tik Tok to live stream and bring goods, but also stars who gradually enter Tiktok to live stream and bring goods, and the sales are huge. At present, flagship stores of major brands also use Tik Tok platform for livestreaming and delivery. Vipshop, JD.com, Suning and others are all using Tik Tok Live platform for delivery. Due to the arrival of various official flagship stores in Tik Tok, the platform enjoys a high reputation and the quality and quantity of products in Tik Tok Live is guaranteed.

1.2 Literature review

Zhang found that many shops are experiencing unstable income due to the epidemic, so many turn to online platforms to sell goods live. There is a way that most businesses use - hunger marketing. This marketing model is divided into three steps; 1. Early notice attracts customers to this store at a specific time to watch the live explanation. 2. During the live broadcast, the anchor will disclose the

price of the live broadcast on the shop's website and let consumers compare prices. Usually, the price of the live broadcast will be much lower than the other two so that consumers will have a sharp contrast and then buy products in the live broadcast room. 3. In the later stage, many people will evaluate the product. If the sales and praise are high, more people will trust the product in the second and third live broadcasts [1-2].

Most scholars have studied some well-known bloggers' live streaming strategies or analyzing their accounts, and a few articles have studied most of the TikTok live streaming strategies and detailed commercial models of live streaming [1-3].

1.3 Research framework

Firstly, we need to discuss this topic and conduct some customized experiments to study this topic. Secondly, we need to collect basic Tik Tok user information and some live broadcast modes through questionnaire surveys or interviews to understand better Tik Tok's business model and live broadcast strategy. After collecting enough materials, screening is carried out, and finally, the results and conclusions are drawn using materials, real data on the Internet, and literature.

2. Methods

2.1 Data

First, from other literature, we need to understand the development status and trend of TikTok live broadcasts at this stage. Secondly, TikTok users of different ages and backgrounds are studied in questionnaires or interviews to investigate whether they generally watch TikTok content, watch live content, and buy products through Tik Tok (Type and Price). Finally, the last TikTok live broadcast strategy is sorted out using the above data.

Second, Data collection. Divide the people who need to collect data into three groups; The first group is the underage group, the second group is the working group, and the third group is; Group over 55 years old. An interview or questionnaire can ask the following questions to get different results. 1. Use Tik Tok time on weekdays and weekends; 2 Have you bought products in Tik Tok, what type of products, and what is the price; 3. What type of blogger live broadcast do you like best? Through the above data, this paper can get a detailed degree of use of the TikTok platform by different groups, which can also better have a deeper contact with the following experimental research.

Third, Data filtering. After getting the data given to different groups, some data cannot be directly analyzed as results. First, we need to filter out some unreliable information.

Finally, Data analysis. From a large number of data, we can divide the bloggers into several categories, such as beauty and funny appearance. Compared with the products and sales volume sold by different bloggers, maybe the price differences of some live selling products and the discount tickets will also greatly impact the final results.

2.2 Causal assumption

When there is a buy-free event, the number of people will increase a lot, and the purchasing power will also increase

When there are stars selling goods, the number of people in the live broadcast will be more than that in the free purchase event, and the purchasing power will also increase

When there are pre-broadcast announcements, the number of people who live will go up but not by much, and the purchasing power will be the same as usual

3. Results

Because the whole article focuses on live streaming, this paper examines the situation of TikTok live streaming.

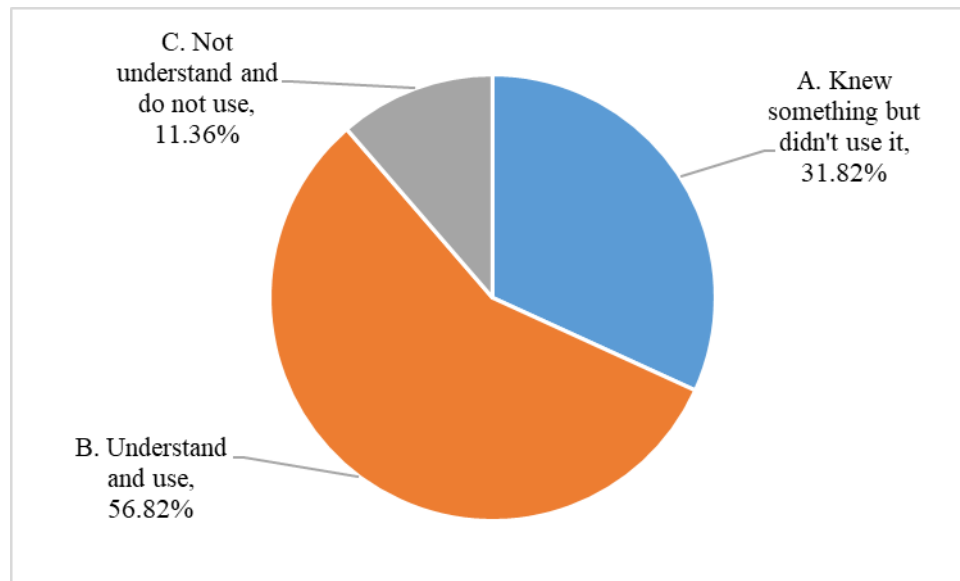


Fig. 1 What people know about Tik Tok

According to the questionnaire, it is easy to see from Figure 1 that most people know about TikTok and are using the app, while a few people are not interested in it. As can be seen from Figure 2, 11.54% of Tik Tok users spend more than one hour on average every day, while 88.46% spend less than one hour.

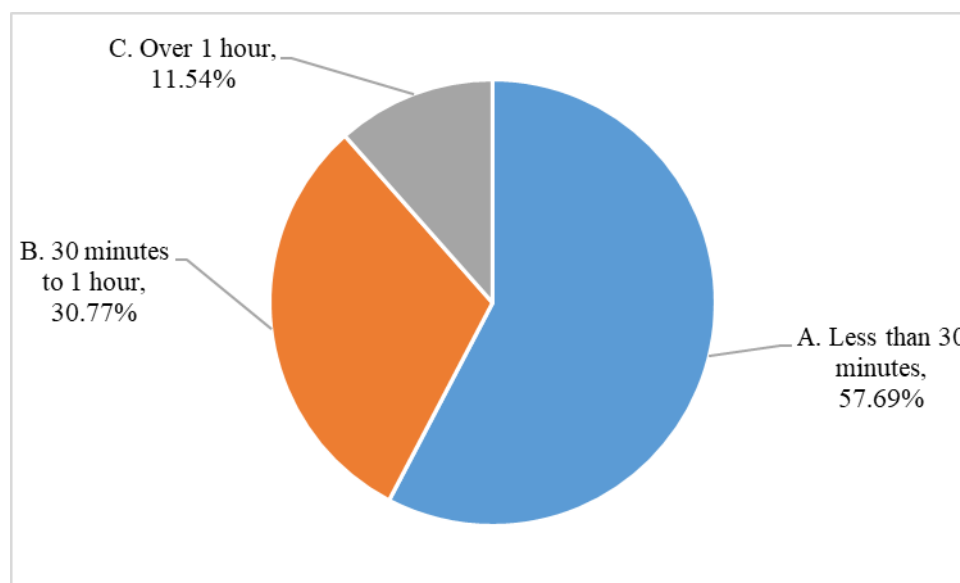


Fig. 2 The number of days you use the software

According to the questionnaire survey, this paper surveyed minors (mostly high school and junior high school students) who use Tik Tok during holidays and found that 33.3% of students use TikTok for 5h on average every day 44.4% use TikTok for 1-2 hours. A few students (22.2%) use Tik Tok for less than one hour daily.

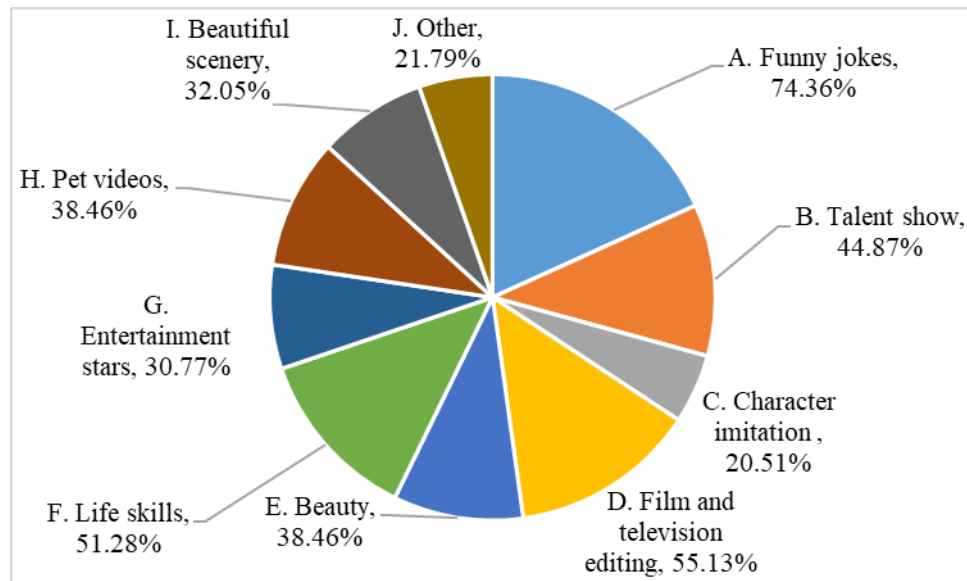


Fig. 3 What kind of short video do you like to watch most

Looking at Figure 3, we can see that all types of videos are evenly distributed, but funny jokes are the majority of life skills.

As seen from the chart, more people are watching online celebrity live streaming on Tik Tok than not watching it, while fewer people are buying it.

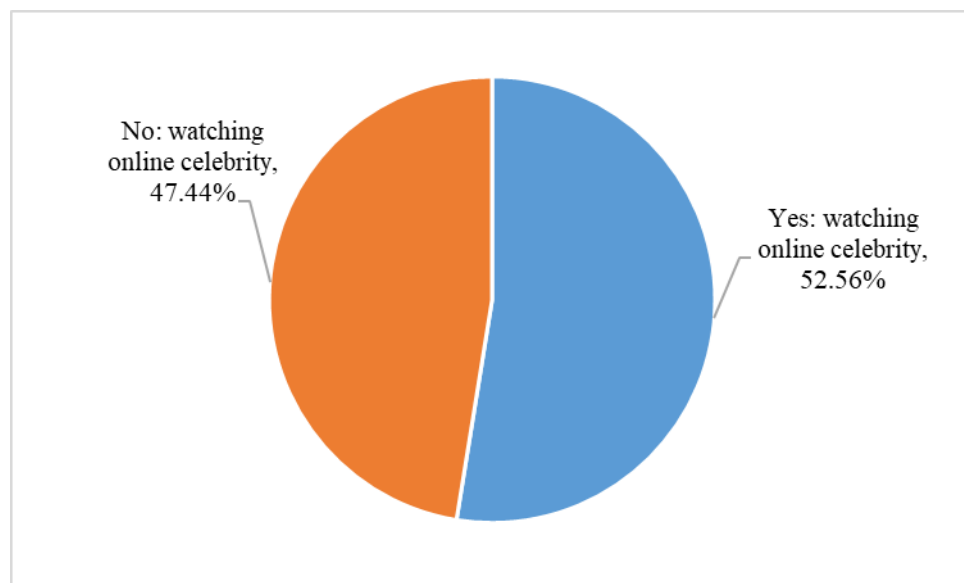


Fig. 4 Whether to watch livestreaming?

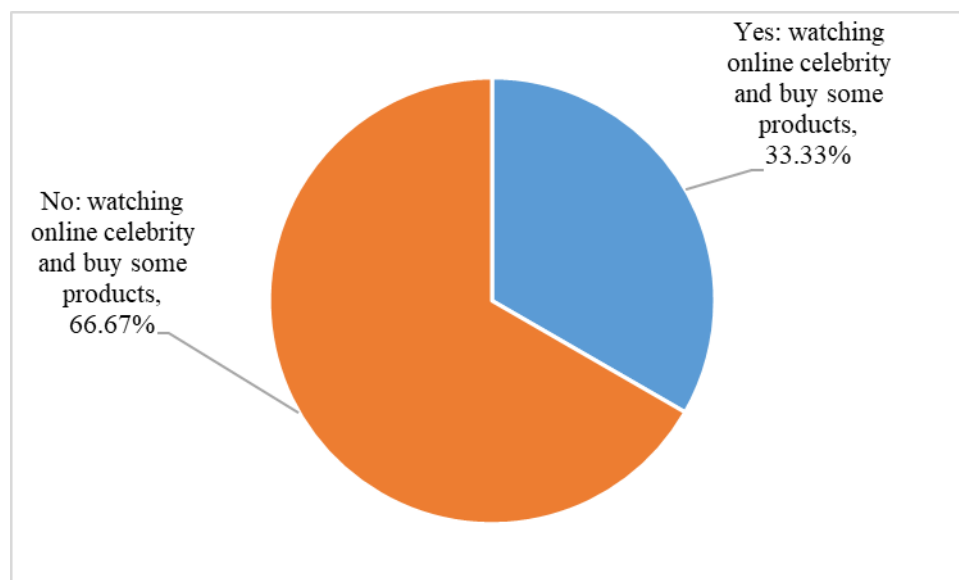


Fig. 5 Whether to watch live and buy some products?

We can get a general idea of the basic situation of Tik Tok from all the figures above. Next, we need to analyze further the strategies of Tik Tok video and live broadcast.

First of all, to win users' trust, many anchors will first release videos to attract the attention of many fans, paving the way for the later live broadcast. Having a certain amount of fans and attention in a short period requires new ideas and creativity. This can quickly build up a large following. Find a type of blogger, beauty blogger, or snack blogger. Later focus on this kind of video so that TikTok can be locked by many who have loved this type of user for a long time, TikTok can get the trust of more users.

Why are so many people in Tik Tok direct broadcast rooms and buyers? Why is the sales volume of official flagship stores of Taobao not as high as that of Tik Tok direct broadcast? That's because Tik Tok will offer many discounts, such as free as you buy or coupons, to attract people to buy. Just like many festivals, many anchors cooperate with brands.

According to the information on Ctrip in 2019, Xi'an, Xiamen, Henan and other places were called short daily attendance. Especially in the first half of 2020, our country encountered COVID-19, and the tourism market of the entity did not gradually open until October. According to the new tourism data, the click rate of short videos related to tourism remained high, and people paid attention to 3 times the number of people in 2019. Relying on the dissemination of short videos, tourism delicacies and tourist souvenirs in the above areas were sold online, and the sales volume increased by 10 percentage points. It has to be said that it is a new miracle of Communication advantages of short video city tourism.

As mentioned above, unmarketable agricultural products are also gradually attracting attention in Tik Tok live. The article summarizes some agricultural products' live broadcast strategies. First, some local specialties will always attract more consumers, so selection is very important. Local specialties such as Hangzhou Longjing tea, Wenzhou duck tongue, and Shaanxi apple will be bought by many non-local consumers. Secondly, some organic and healthy agricultural products will also attract many customers, and consumers will buy many agricultural products that look healthy and beautiful. Finally, we need to locate anchors, such as Li Qi from Tik Tok, who shoots videos of rural life in the mountains, which will make consumers believe more in the product's health and improve their trust.

After a series of investigations and reading some papers, this paper found some ways to bring goods to Tik Tok Live. 1. Multiple categories, different Tik Tok users like different types of products, so it is very important to have a wide variety of products. Products such as beauty products, clothing, food, household goods and other products can be purchased in the same studio. Such a broadcast room is generally a large broadcast room. Usually, such a broadcast room can be divided into two modes: one is the popular broadcast marketing mode; The other is the marketing model of the

credibility sales platform. 2. Vertical type, vertical type broadcast room is characterized by single product category or single brand, mainly relying on products or brands to drive the heat of broadcast room, bring traffic and sell products. There are two kinds of common vertical live broadcast with goods: one is the direct broadcast room only sells a single product; The other is the broadcasting room to sell goods belonging to the same type or the same brand.

TikTok's strategy is not perfect and has a lot to improve. 1. In Tik Tok, different merchants sell different products, and customers have different demands for products. Therefore, some businesses sell high imitation products (those that copy and imitate bags or jewelry of big brands) to some customers (they need such products). Still, some consumers do not understand the products and may accidentally buy fake products to cause trouble. Therefore, the platform needs to analyze each user to know what they need most and what they want to buy. In this way, we can reduce the number of products that are not practical for consumers. 2. TikTok has many users, so many businesses will try to buy fake fans and fake comments to gain much praise so that customers can trust the businesses. But when the goods arrive, consumers will feel that the goods are not equivalent, not what they want or not what the evaluation said. Tik Tok needs to reduce the phenomenon of fans' buying comments. They need to be like Amazon to reduce reviews and make their products as authentic as possible.

4. Discussion

4.1 Many customers buy fakes by accident

Because in the platform of Tik Tok, everyone has different needs for each item. So, some customers buy products to get better discounts and more freebies. However, some consumers buy products on Tik Tok because some businesses sell fake products and high imitations. Everyone has different needs, but not everyone can identify highly counterfeit goods. So many customers think the price is low but do not intend to buy fake goods. The way to solve this problem is; The platform needs to know the price of products purchased and the type of videos watched by each user in a live broadcast to define the user's age group. Later, we should try to push some products and videos in line with this age group of users. In addition, it needs to be rigorous to investigate each user's likes, rather than just looking at the user to buy a product to determine. It is also necessary to look at the price of most products purchased by users to infer which kind of products they prefer, which may be some big-brand products with moderate price and quality or fake products [4-5].

4.2 Many businesses find people to advertise to have better sales

When some small online stores started online because there were not a lot of sales and evaluation, they did not win the trust of consumers, so there will not be a large number of users to buy products. This leaves them with no sales and no reviews. Therefore, many businesses will invest a large amount of money in the early stage to find bloggers or some users to send videos to recommend these products. Furthermore, some bloggers' recommendations are not real but deliberately fabricated to earn advertising money. After a certain amount of promotion, many users will buy these products because they trust these bloggers. Moreover, promoting some good products is the right thing and a strategy. However, for those products with no products or not very good products, such promotion will bring bad influence to consumers, such as buying some skin care products, bad face or the effect is not as good as uploaded on the Internet. These are bad for consumers. In addition, if some users know that some bloggers' recommendations or good comments are paid for, they will not have a certain amount of trust in many businesses. As a result, many people will not see some good products (because they will be seen as bad products that they have paid to promote). Therefore, the best solution is to reduce such fake comments and fans from the beginning, reducing the number of consumers cheated [6].

4.3 Live with the goods

Tik Tok live broadcast is so popular because the prices of many products bought on other software are very different from those bought on Tik Tok live broadcast. There are many preferential gifts and

lotteries, so most users choose to buy products they want on Tik Tok live broadcast. Some businesses will use a very low price to sell the product at the beginning. Many users, because prices are low to later don't buy, will buy many products in the studio, but adjust the late comers, such as the price back to the original price. There will be a few people to buy products, and they finally want to achieve the purpose of no implementation [7-8].

4.4 Development direction of Tik Tok live streaming

Strengthen support and encouragement for anchors and turn to fan economy -- on the one hand, integrate platform resources, promote continuous optimization of e-commerce development environment, and promote the development of Internet celebrity economy to fan economy. On the other hand, cultivating anchors in vertical fields should be further increased to form a stable and reliable supply chain [9].

Integrate the upstream and downstream industry chains to promote common development. First, promote the cooperation between manufacturers and brands in the industry, gain insight into customer needs through the interaction between downstream anchors and customers, plan supply programs, and improve supply efficiency. The second is to promote the upstream brands to establish closer cooperation with the platform, to realize the single supply and demand for long-term cooperation. Third, promote the formation of edge standards in the e-commerce industry through the integration and remodeling of the industrial chain, coordinate the role division of all links in the industrial chain, and give full play to the advantages of the whole industry [10-11].

Strengthen the monitoring of all parties and create a healthy development environment. From the perspective of platform anchors, we should strengthen the supervision of various behaviors of anchors and strictly control and punish violations. From the platform's perspective: the platform's credit system is also an indispensable key link, constantly improving the platform's supervision and punishment mechanism for users and introducing third-party supervision. From the point of view of well-known brands: enterprises should be practical and realistic, not through the purchase of black industry "water army" and such means to carry out unfair competition. Product quality is the core competitiveness of well-known enterprises [9-10].

5. Conclusion

5.1 Conclusion of key findings

It can be seen from the previous results that people use Tik Tok software and watch live broadcasts for a large proportion, so Tik Tok live broadcast selling is undoubtedly a good thing for sellers. After an in-depth study of the software Tik Tok, this paper got much information about how Tik Tok makes live broadcasting successful and how merchants on the platform reap great benefits. First of all, the host will release the video to gain more fans. Of course, the video created must have imagination and creativity and make the video style that the blogger has not made before. Then we can cooperate with brands to do live broadcasting. Of course, in the beginning, live streaming needs preferential and low prices to attract consumers.

In the previous discussion, it is found that live broadcasting still has many shortcomings. 1. Many customers will buy fakes unintentionally. Some customers do not distinguish the real t fakes or do not know the products of these brands. The solution is to ask the staff of Tik Tok to screen every user who will buy products on live broadcast and know in detail what they need more. 2. Tik Tok Live broadcast sales volume is better than other software because the price is low and the discount is more. Therefore, many people buy products on the Tik Tok platform for benefits. However, if the price is slightly higher or the original price is adjusted back in the later stage, there will not be a large number of users to buy products. This will also cost the seller.

5.2 Research significance

The above-mentioned common problems of Tik Tok and the details of Livestream selling can give some suggestions for improving the Tik Tok platform and solving the unnecessary troubles caused by many customers on Tik Tok live stream platform. In today's society, the rapid development of technology makes it difficult for people to trust many online shops, which also causes trouble to the economic development to a certain extent.

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