Research on the Relationship Between Marketing Strategy of Contemporary TikTok E-commerce Platform and Young People's Consumption Motivation

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Abstract. This template explains and demonstrates how to prepare your camera-ready paper for Trans Tech Publications. The best is to read these instructions and follow the outline of this text. Please make the page settings of your word processor to A4 format (21 x 29.7 cm or 8 x 11 inches); with the margins: bottom 1.5 cm (0.59 in) and top 3 cm (1.18 in), right/left margins must be 2 cm (0.78 in). This paper will focus on the structural framework of "Case background introduction - SWOT model analysis - Optimizing marketing strategy and its impact on young people's consumption motivation". First, in order to clarify the relationship between the marketing strategy of the contemporary TikTok e-commerce platform and young people's consumption motivation, this study chooses the 2023 "Double Eleven" TikTok e-commerce shopping Festival as the main analysis case and makes an overview of it. Secondly, in the context of the contemporary Internet, SWOT model analysis and interpretation of the marketing strategy of TikTok's e-commerce platform are carried out. Finally, the paper evaluates the relationship between the improvement of the marketing strategy of the contemporary TikTok e-commerce platform and young people's consumption motivation, puts forward the impact of this relationship on the social economy, and puts forward prospects. By optimizing corresponding marketing strategies, the relationship between young consumers and merchants is effectively coordinated, which not only has a positive effect on the consumer psychology of consumers but also plays a role in promoting the future development of the TikTok e-commerce platform.

Keywords: TikTok E-commerce, Consumer Behavior, Marketing Strategy, Yong People.

1. Introduction

1.1. Research Background

With the development of Internet technology in the 21st century, the maturity of big data analysis technology and e-commerce platforms came into being, making great contributions to China's economic and social development and laying a pivotal position. According to the national statistical database, in April 2022, affected by the big environment of the new coronavirus epidemic, China's total retail sales of social consumer goods fell by 11.1% year-on-year, but from January to April, the total retail sales on the e-commerce network increased by 5.2% year-on-year, which shows that Chinese people are no longer limited to a single consumption channel. Instead, the diversification of consumption channels, such as e-commerce platform shopping, is gradually integrating into Chinese lives. Moreover, under the pressure of many uncertain factors in the face of the new coronavirus epidemic, e-commerce platform shopping has shown more excellent anti-risk ability. By the end of 2020, the number of daily active users of China's short video platforms is about 600 million. The huge Internet population base has laid a good foundation for the development of China's e-commerce industry, which means that there will be a greater chance to promote more high-quality merchants to settle in the e-commerce platform, and more people will be able to access the field, thus increasing the consumption probability of people's network platform. As the leader of the short video industry, TikTok's impact on the entire industry cannot be underestimated. With its interest in e-commerce, TikTok effectively combines entertainment with e-commerce and stands out from many e-commerce platforms. Young people, as the main force of short video users, have had a profound impact on China's e-commerce industry. According to iResearch data, the proportion of male and female TikTok
users is roughly the same. In terms of age distribution, the number of users aged 30 and below occupies an absolute advantage, accounting for 56.03%. It can be seen that in the short video user group, young people are a very influential part of the population. They have a certain consumption power but are also more willing to try new things, resulting in a more avant-garde consumption concept.

1.2. Literature Review

In "College Students' Attitude toward TikTok E-commerce: The Perspective of Marketing Strategy", scholars Chen and Liu believe that more than half of college students are still dissatisfied with the quality management and pre-sales and after-sales service of TikTok e-commerce and the e-commerce platform of TikTok also has related defects such as low popularity and inaccurate user positioning [1]. In the Analysis of Consumer Behavior of TikTok, Scholar Sun pointed out that due to the characteristics of The Times of contemporary e-commerce platforms, consumer demand is manifested as "self-defined goal commitment" [2]. By relying on big data analysis technology, TikTok's e-commerce platform pushes products matching its values to consumers, which promotes behavioral consumption motivation, and after establishing good after-sales protection, consumers will be able to achieve their goals. Consumer goodwill will prompt them to give positive feedback. In the study on the Impact of E-commerce Live Broadcasting on Consumers' Purchasing Decisions, scholars Chen and Yin found that independent variables such as brand effect, star effect, and quality goods would have many positive impacts on consumers' sense of identity and trust, thus enhancing users' purchase intention [3, 4].

Most scholars have studied the marketing strategy of TikTok, the behavior of consumers of TikTok e-commerce, or the attitude of young people toward online e-commerce, but few articles have pointed out the relationship between the marketing strategy of TikTok e-commerce platform and young people's consumer psychology.

1.3. Research Framework

To fill this academic gap, this paper will take the relationship between the marketing strategy of the contemporary TikTok e-commerce platform and young people's consumer psychology as the research object. First, it expounds on the pertinence of the e-commerce platform marketing strategy; Second, the characteristics of young people's consumer psychology; Third, the essence of the relationship between the e-commerce platform of TikTok and the consumer psychology of young people. Finally, the author puts forward the evaluation and prospect of this relationship.

2. "Double Eleven" TikTok E-commerce Shopping Festival

At first, the development of e-commerce was not smooth, perhaps because people are still used to offline shopping, or perhaps the way of online shopping is not popular enough. The primary stage of the Taobao online shopping platform is almost every year in a state of loss. Taobao.com chief financial officer Zhang Yong, in order to turn Taobao.com revenue into profit on November 11, 2009, held the first online shopping festival (hereinafter referred to as "Double Eleven Shopping Festival") with its novel "singles together fire" concept in the case of only 27 merchants participated in the Double Eleven online shopping festival sales reached 50 million yuan. This is for the level of economic development of China at that time, which undoubtedly has made a lot of achievements, but also for the subsequent rapid development of e-commerce to pave the way. In recent years, TikTok e-commerce has risen rapidly. According to the official data released by TikTok Group, the number of consumers in the TikTok Mall during the Double Eleven in 2023 has increased by 111% year-on-year, the cumulative duration of the e-commerce broadcast room has reached 5,827 hours, the playback of short trailer shopping videos has reached 169.7 billion people, the average delivery time of merchants has been shortened by 10 hours, and the logistics signing time has been shortened by 6 hours, and ranked first in the list of live streaming e-commerce platform GMV (total turnover per
unit time) [5]. It is worth mentioning that although its total sales have shown a continuous upward trend, the 2023 Double Eleven shopping festival is still considered to be the "coldest Double Eleven in history". According to data from reliable institutions, the peak search volume of this year's "Singles' Day" dropped by 60 percent year-on-year, and the average duration of topics related to "Singles' Day" on Weibo's hot search list dropped to less than three hours [6]. Does this mean that with the normalization of online shopping, consumers gradually dilute the carnival sense of "chopping hands" during the festival and instead become more and more rational consumers? Or is it that with people's understanding of the routine of e-commerce, young people are gradually aware of their real shopping needs and focus on the actual situation so as to put an end to wild consumption?

3. SWOT Analysis of TikTok E-commerce Platform Marketing Strategy

In order to study the relationship between the marketing strategy of the contemporary TikTok e-commerce platform and young people's consumption motivation, this paper will rely on the case of the 2023 TikTok e-commerce Double 11 shopping Festival and use the SWOT analysis model to analyze the marketing strategy of contemporary TikTok e-commerce platform.

3.1. Strength

First, the popularity of TikTok’s short video platform is very high, which also means that a larger consumer group has the chance to have access to TikTok e-commerce. From large cities to small towns, from relaxation and entertainment to skill learning, massive Douyin video content constantly breaks the restrictions of time and space, penetrates all aspects of people's lives, and even has a profound impact on people's way of life. The huge daily active user base of TikTok has laid a good foundation for the subsequent development of TikTok e-commerce.

Secondly, the short video of Douyin has spawned a new industry of live delivery. At this time, the host of delivery can attract a large number of fans by showing its special social attributes, thus guiding consumers to have a desire to buy. With its advantage of interest in e-commerce, TikTok has occupied the top share of the live e-commerce Double 11 shopping festival. Compared with traditional e-commerce, interest e-commerce can not only attract consumers by producing high-quality works but also build innovative scenes, thereby stimulating the potential psychological needs of consumers.

Thirdly, the TikTok e-commerce platform uses relatively mature big data analysis technology to classify the preferences of consumers of different ages and genders. The e-commerce platform TikTok will conduct intelligent analysis on the theme according to the video content created by the blogger and attach a series of labels such as "fashion", "entertainment", "food", etc., and then calculate according to the content of people's search or high-frequency click content, classify them into different labels, and finally push the suitable products to the hands of consumers. This not only ensures a high degree of matching between consumers and products but also saves some other video promotion resources.

Finally, the low price of goods on the TikTok e-commerce platform is loved by young people who do not have strong purchasing power. According to the data released by the Insight Research newspaper, through the investigation of the sales of such key categories as clothing, shoes and bags, catering, and food, it was found that nearly 70% of the sold goods were priced below 50 yuan. About 18% of the sold goods were priced within the range of 50-100 yuan [7, 8]. TikTok’s price positioning is low-end, and the target group is young people with relatively weak consumption power, who account for more than half of the total number of TikTok users.

3.2. Weakness

First, TikTok’s e-commerce platform has set a low threshold for merchants and has not strictly controlled the quality of goods. Some businesses do not have professional ethics and use false publicity to mislead consumers for personal gain and destroy the good trading atmosphere in the market. For example, some merchants employ people to brush orders, publish guiding remarks in the
comments section, or use beautification filters to make the real goods seriously inconsistent with the pictures. Such a practice is not only against professional ethics but also against national laws. It has to be said that the current TikTok e-commerce platform is mixed, and consumers should pay attention to identification.

Secondly, TikTok's e-commerce platform has not issued a perfect after-sales service policy, which has caused certain troubles for consumers' rights protection. When consumers encounter a series of situations that disrupt the order of market transactions, such as commodity distortion, false delivery, disorderly delivery, and business shirking responsibility to evade problems, after-sales service is the only remedy. According to the survey data of "College students' Attitude toward TikTok E-commerce: The Perspective of Marketing Strategy", 57.69% of college students believe that the e-commerce platform of TikTok still needs improvement in the control of commodity quality and the after-sales management system of merchants [9, 10]. At this time, the TikTok e-commerce platform needs to intervene in the dispute in a timely manner as a third party and properly deal with these problems; otherwise, it will involve the decline of the reputation of the entire TikTok e-commerce platform, which will lead to the situation of consumers.

Finally, although TikTok's e-commerce platform uses relatively mature big data analysis technology, there is still room for improvement. Recently, there have been some comments on the Internet similar to "my TikTok seems to have become less understanding of me", which precisely reflects the deviation of TikTok's big data analysis technology, resulting in TikTok mistakenly pushing products with a low matching degree to consumers. This not only arouses consumers' desire to consume but also wastes the time consumers spend searching for the goods that really suit them.

3.3. Opportunities

First, TikTok has a large number of users, and its influence and audience can still expand. TikTok can promote TikTok e-commerce through online and offline channels, using advertisements, flyers, and other ways to attract more people to use TikTok. At the same time, the TikTok e-commerce platform can also increase the proportion of the shopping section in the TikTok interface or increase the preferential efforts for new customers so that more people are willing to contact the TikTok e-commerce.

Second, the TikTok e-commerce platform can try cross-border e-commerce, expand the international market, and achieve a broader development space. Some cross-border e-commerce platforms and individual merchants show and sell various kinds of goods, such as clothing, cosmetics, and household goods, to overseas users through live streaming. They usually choose anchors with a certain influence and fan base to cooperate with in order to enhance the sales effect and achieve a win-win situation.

3.4. Threat

First, the short video e-commerce industry is highly competitive, and adhering to quality and innovation is the best way out. As mentioned earlier, in the 2023 live e-commerce Double Eleven shopping festival, TikTok only narrowly led the fast-hand e-commerce platform and ranked first. It can be seen that various short video platforms are constantly optimizing the field of social e-commerce, and the competition is very fierce. Therefore, TikTok's e-commerce platform needs to adhere to the quality of goods and services but also pay attention to content from innovation and build a comfortable and pleasant consumption environment for consumers in order to gain more consumers' favor.

Secondly, the trust crisis between users and TikTok e-commerce will seriously affect user stickiness. In "The Impact of Characteristics of Live Streaming E-commerce Anchors on Consumers' Repurchase Intention", Li Jiyan and Li Linze proposed that generally well-known bloggers or star anchors would not sell products with poor quality and low-cost performance because they knew that once such things were discovered, their sales reputation would decline and thus affect consumers' repurchase intention. From this point of view, building a trust bridge between the TikTok e-commerce
platform and consumers is a crucial part of avoiding the problem of consumer loss, and at present, a number of anchors on TikTok have been exposed to sell fake goods, which is also one of the problems that the TikTok e-commerce platform needs to solve in time.

4. Optimize Marketing Strategy of TikTok E-commerce Platform on Consumer Motivation

The ultimate research goal of this project is to improve the shortcomings in the marketing strategy of TikTok's e-commerce platform and then promote the purchasing behavior of consumers. Therefore, this part of the content will focus on the optimization of the marketing strategy of the TikTok e-commerce platform and explain its impact on consumer motivation.

4.1. In-depth Development of Interest E-commerce: Optimize Big Data Analysis Technology

The e-commerce platform of TikTok should continuously optimize big data analysis technology, do as much as possible to accurately calculate user preferences, and push products with high adaptability to consumers so as to stimulate consumers' potential consumer demand and fundamentally develop interest in e-commerce. In "Based on the new form of e-commerce interest e-commerce", Wu and She believe that interest e-commerce is based on improving the quality of life and constantly optimizing the algorithm recommendation technology to accurately locate consumers and meet their diversified and personalized consumer needs. The logic is that even if consumers do not have clear consumer demand, interest in e-commerce can still stimulate the potential demand of consumers. It can be seen that being able to capture consumers' consumption preferences accurately is a crucial part of promoting consumers' consumption motivation: this means that the TikTok e-commerce platform will have a higher probability of triggering consumers to try to consume psychology actively.

4.2. Establish Relevant Laws and Regulations: Raise the Entry Threshold of Merchants and Improve the Pre-sales and After-sales Service Mechanism

In order to filter out a batch of low-quality and low-cost goods from the root, improving the entry threshold of merchants is a very important measure to trigger consumer consumption motivation. First of all, the TikTok platform should strictly check the qualifications of merchants and conduct multi-dimensional key assessments of the commodities, transactions, and violations of the merchants. At the same time, the e-commerce platform of TikTok should increase the punishment for dishonest acts by merchants, build a good trading environment, and provide consumers with the greatest consumption guarantee. Secondly, the TikTok e-commerce platform should also do a good job of pre-sales and after-sales service, guaranteeing that it will provide consumers with a comfortable and smooth consumption experience. In terms of pre-sale services, the TikTok e-commerce platform can offer relevant training courses to improve customer service professionals' abilities and assess their response rate and praise rate. In terms of after-sales service, the TikTok e-commerce platform can establish special complaint channels for consumers, intervene in disputes between merchants and consumers in a timely manner, and properly handle compensation issues for consumers so as to increase consumers' goodwill and trust, improve user stickiness, and stimulate consumers' motivation to buy back.

4.3. Expand the Consumer Market: Develop Cross-border E-commerce

With the substantial improvement of China's comprehensive national strength, especially the rapid development of its economic strength, China, as the second largest economy in the world, occupies a pivotal position in the total world economy, and at the same time, it has more say in the international arena. At this time, the TikTok e-commerce platform can take advantage of such favorable conditions to strengthen business cooperation with foreign enterprises. In addition, cross-border e-commerce involves many countries and regions, various industries, and professional fields, which can realize
the circulation of successful business experiences to a certain extent, promote the development of cross-border e-commerce, and achieve win-win results. At the same time, it also meets the consumption demand of more consumers.

5. Conclusion

To sum up, as an emerging e-commerce platform, TikTok, with its low price and unique mode of carrying goods, is favored by the buying group represented by young people and has endless potential and broad prospects for development. In order to explore the relationship between the marketing strategy of the TikTok e-commerce platform and young people's consumption motivation, this paper analyzes the 2023 TikTok e-commerce Double 11 shopping Festival from the four aspects of its strengths, weaknesses, opportunities, and threats and puts forward corresponding marketing strategy optimization suggestions and expounds its impact on young consumers' consumption motivation. Therefore, the research of this project has important commercial value. By optimizing corresponding marketing strategies, the relationship between young consumers and merchants is effectively coordinated, which not only has a positive effect on the consumer psychology of consumers but also plays a role in promoting the future development of the TikTok e-commerce platform.

However, the limitation of this paper lies in the lack of the use of the AISAS analysis method and the main reference of secondary data, which have a certain impact on this study. However, in the future, if a deeper study of this project is to be conducted, the main data can be obtained through a series of ways such as questionnaire survey and interview, and then the diversified model can be used for analysis on this basis, so as to make the conclusion more convincing and look forward to making new progress on the original project results.

References