The Rise of Douyin E-commerce: An Analysis of Amateur Anchors and Future Prospects

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Abstract. The Douyin e-commerce platform is an e-commerce platform that has risen to prominence in recent years. The platform has attracted many online celebrities and amateur entrepreneurs. However, as the number of participants on the platform continues to grow, with well-known anchors emerging and manufacturers getting personally involved in selling their products, amateur anchors face increasing competition and challenges. On the Douyin e-commerce platform, amateur anchors have the advantage of low cost and high flexibility, and they can attract viewers and build a loyal fan base through unique content. However, facing a competitive market, they also face the pressure of content homogenization and competition from well-known anchors. Therefore, amateur anchors need to gain a deep understanding of their target audience, craft content strategies, and continuously improve their performance to remain competitive. In addition, they can utilize their influence and loyal fan base to help brands promote new products and increase sales.

Keywords: Douyin e-commerce, Amateur Anchors, target audience, content strategies, loyal fan.

1. Introduction

Recently, the growth of Douyin e-commerce has been remarkable, with the transaction volume increasing alarmingly. Consequently, diverse groups have been attracted to join the e-commerce platform. Internet celebrities and amateur entrepreneurs aspire to succeed on Douyin’s e-commerce platform. However, with the increasing number of platform participants, prominent anchors who sell goods gain significant traffic, and more manufacturers are personally involved in product sales. As a result, amateur anchors new to the platform face growing challenges in establishing themselves and achieving success. Therefore, this paper aims to investigate the present state of amateur anchors on Douyin’s e-commerce platform and analyze their future development direction.

2. The Development Process of Douyin E-commerce

2.1. Rapid Growth and Promising Futures of Domestic E-commerce Live Broadcasting

The domestic e-commerce industry has developed rapidly in recent years, and e-commerce live broadcast, as one of the important channels, began to flourish after the first year of live broadcast in 2016. In February 2021, the 47th "Statistical Report on China's Internet Development Situation" was released by the China Internet Network Information Center (CNNIC) in Beijing. Among them: As of December 2020, the number of online live broadcast users in my country exceeded 600 million, accounting for the overall number of netizens exceeding 60%, an increase of more than 50 million compared with the previous three months; 2016 is recognized as the first year of live broadcast in my country. The first e-commerce live broadcast to introduce goods was a platform mainly targeted at female consumers, recommending clothing and outfits. An e-commerce platform for suggestions and purchases - Mogujoie. Following closely behind are the leading e-commerce platforms Douyin and JD.com, which have respectively developed live broadcast function modules for their platforms. From 2016 to 2017, e-commerce live broadcasting has grown from its inception to growth. In 2018, short video platforms began to enter the public eye. Some industry-leading short video platforms, such as Douyin and Kuaishou, and anchors who started their careers in short videos began to get involved in e-commerce. Live streaming relies on its own fan accumulation and rapid traffic accumulation to feel...
the direct benefits of e-commerce live streaming. In 2019, e-commerce live broadcasts developed and expanded with rapid momentum. In early 2020, e-commerce live broadcasting experienced a major explosion in the industry. Due to the impact of the COVID-19 epidemic in early 2020, live-streaming e-commerce has become one of the life-saving straws in various fields. Its scale expansion has far exceeded expectations. Major live streaming and e-commerce

Commercial platforms have also entered the game one after another, celebrities and major Internet celebrity anchors have entered the track, and e-commerce live broadcast has since entered a stage of vigorous development. Everyone is a content creator and has cultivated many Internet celebrities.

The rise of short videos has made it easier to become a content entrepreneur. One can become an internet celebrity with a mobile phone; a video expert is a content medium. In this era of short videos, people who work as truck drivers, construction migrant workers, fishermen who travel to the sea, and even county magistrates who sell goods, which could not become major influencers in the era of photos and texts, can all become content creators. As a result, they can have their voices heard online and gain a lot of attention and influence over their fans.

2.2. Fostering Opportunities for Emerging Brands to Launch and Thrive

Small brands and big brand merchants can try Douyin live streaming because compared to traffic procurement methods such as through trains that focus on transaction volume, live streaming e-commerce essentially has brand attributes. For example, Wei Ya and Li Jiaqi have driven the brand's stock price more than once. The successful daily limit is a good example. Celebrity live broadcast is especially suitable for the launch of new products of some brands. New products are planted on Xiaohongshu, Douban and other platforms. Then, through the Douyin live broadcast mode, they are sought after by various domestic brands, such as Perfect Diary in the beauty circle and Li Zi in the food circle. Qi Luo Shi Fen, Yi Qin from Pet Circle, etc.

However, the brand communication effect is only visible to top anchors, and amateur anchors are still slowly developing. For general brands, expensive live-streaming fees are a cost burden for the company. The merchant's self-broadcast mode is more suitable for brand sales of products. The live broadcast mode can increase the stickiness of users and the average length of stay of users and has a certain effect on increasing customer orders.

2.3. The Vast Scale of Amateur Sales

According to the big data platform Douyin, as of August 2023, there have been over 700 million live broadcasts by amateurs nationwide. It is enough to show the huge scale of the Internet crowd. Among them, netizens added "creators" and "bringers". The popularity of the tags immediately increased their traffic, and their wide impact on the products they carried not only enhanced the stickiness of more users to the platform, but most large, medium and small platforms relied on amateurs. Improve the influence of this merchant's products. Amateurs usually feel the popularity of this product based on the premise of consumers. Let netizens feel the charm of the product through live broadcasts by amateurs.

2.4. Amateurs: Fast Product Promotion, Spread and High Authenticity

Based on the current marketing model commonly used by merchants, we use KOL live streaming and KOL short video to bring goods. The KOL we choose is usually a big V or Internet celebrity. These Internet celebrities have their fan base. It can further drive the spread speed to increase dramatically. However, we can see that the actual number of merchants' products and the number of matching KOLs are not equal. The ratio of direct costs to communication speed is low and even inversely proportional. In this way, merchants usually have to add and subtract promotion costs and communication speed [1]. However, due to its large base and low influence of fans, amateurs can not only reduce costs but also increase the speed of communication and solve the problems of merchants. Create a win-win phenomenon.
Amateur users are generally ordinary users themselves. Compared with the big stars we see on TV, they are more able to influence other users through empathy and intimacy. Sometimes, the information released by KOLs is not trusted by users due to commercial cooperation, which is also the advantage of amateur users. Celebrities already have a strong fan base. They favor the halo effect. Amateur users do not have super-strong personalities and pay more attention to authenticity. Their sharing is more based on interests and life, which can fully demonstrate their sense of reality and gain fans' trust. Major platform operators have widely disseminated celebrity user accounts (Weibo, Douyin, Kuaishou, etc.). Buy a lot of trolls and invite paparazzi. Even CCTV continues to join. The accounts of amateur users are initially spread more in their social circles. They have a strong social stickiness influence, just like the traditional circle of friend’s business and the underlying logic of "killing familiarity". In a survey on the mediating effect of attachment to community e-commerce on purchasing power, the result was an obvious emotional attachment effect of social relationships on some intermediaries [2].

2.5. The risk of bringing goods by an amateur is low

The early stage of business is a critical period for product promotion. Most powerful businesses look for endorsements from Internet celebrities. However, some Internet celebrities cannot withstand the temptation of the outside world [3]. There is a collapse of the character. Perhaps the KOL’s reputation or promotion content issues have caused public opinion turmoil, negatively impacting the brand. However, in the model where amateurs bring goods, because one person does not have a strong influence, personal sharing will not be targeted by users, which reduces the risk of brand promotion. Even if there is a risk of public opinion due to the low influence ability of one person, it can still be possible. The public opinion crisis generated provides time for resolution [4].

2.6. Amateur Product Promotion: Shaping Trends

The evolution of promotion models is inseparable from fundamental issues, effectiveness and costs. Due to the huge base of amateur users and the endless emergence of newcomers, merchants can ensure low-cost promotion for a long time. When merchants realize the advantages and costs of amateur promotion, their promotion ability will feed back the amateur model to improve its marketing. The centrality of the model continuously [5]. In addition to the promotion of merchants, everyone is profit-seeking. After the first batch of people eat crabs, they will also push more people to pour into the industry one after another and promote the development of the model [6]. As a transaction medium, the platform is also the beneficiary of interests [7]. The prosperous market development will also allow the platform to continue supporting the model's development. Ultimately, the trend of the amateur sales model will be created.

3. Douyin Live Streaming Status

3.1. Live Streaming Marketing Model

Talent mode. It is to build yourself into a famous person in a certain field, and then you can be a consultant shopping guide.

Lightning sale mode. The second mode of live broadcast with goods is the second sale mode. The basis of the flash sale mode is that there is a large amount of traffic in the live broadcast room. You can guarantee a certain number of people in each live broadcast. In the process of a flash deal, you can compare the product with similar products or other merchants’ products, highlighting the advantages of your goods.

Store model. Because the merchant operates an online store and sells store products through live broadcasting, it relies on the product's characteristics to attract the audience to consult and guide them to become intended customers to achieve a transaction.
Base broadcast mode. This model is to build a live broadcast base by the product supply chain, and the anchor goes to the base to open a live broadcast, which is characterized by setting up live broadcast sales channels based on the existing industrial base, which is the reuse of original resources.

Haggling mode. This mode allows the anchor to haggle on behalf of consumers and can discuss with consumers in real-time in the haggling process.

Single product live broadcast. This mode is for the anchor to promote a certain product or several items, focusing on introducing these products. The product has no limitations; most are tried in person, bringing consumers a personal experience.

3.2. The problems of live-streaming goods

The homogeneity of live broadcast content is serious, and there needs to be more excellent creativity. The homogeneity of online live broadcasts means that the content, theme, form, and style of live broadcasts are highly similar, lack connotation, and need nutrition. Over time, users will experience aesthetic fatigue, and the flooded content will lose its attractiveness and, at the same time, lose traffic and popularity.

The Douyin live streaming system could be better, and the platform supervision needs to be implemented. The popularity of Douyin live-streaming goods remains high, and more and more merchants choose to enter the Douyin platform to promote their products. However, problems such as low reputation recognition, difficulty guaranteeing product quality, and unsatisfactory after-sales service still need to be solved.

The quality of anchors could be better. In the live broadcast room shopping, the various routines of the anchor continue to raise consumers' expectations. For example, some anchors are selective and one-sided when introducing products and even deliberately hide some key information, resulting in consumers finding that the products need to match their psychological expectations after placing an order, which is time-consuming and labor-intensive.

Affects the physical and mental health of adolescents. The two-way information exchange method of live broadcast interaction actively satisfies the "sense of ownership" and "curiosity" of teenagers and attracts many teenagers to participate in it for a while. But webcasts can easily trap teenagers, and in their subconscious, watching live broadcasts daily as a pastime hurts their learning and values.

4. Future Development

4.1. TikTok The future of e-commerce ordinary people live streaming with goods

The online sales market represented by TikTok live broadcast with freight and operation mode has a broad prospect, great development potential and strong staying power [8]. For ordinary people, the future of live streaming with goods has the following development trends:

In the future, the proportion of sales generated through live streaming by ordinary individuals is expected to increase significantly. In the first half of 2023, the TikTok live broadcast and e-commerce report reveals that waist self-broadcast accounts and potential self-broadcast accounts have made up a significant portion of sales, amounting to 77%. Considering the fluctuations in live streaming with goods, the short video e-commerce industry is still experiencing rapid growth, and there is an increasing demand for online shopping among consumers. Therefore, many ordinary individuals may recognize this opening and implement it.

The popularity of ordinary people broadcasting their products via live streams is rising, resulting in an increasingly diverse range of products. According to the TikTok live broadcast and e-commerce ecology report in the first half of 2023, the sales of products promoted by micro-influencers via live streams experienced the highest surge. Due to its unique approach to bringing goods, the phenomenon of live broadcasts with real niches, such as brand live broadcasts, has gained popularity. Unlike the star effect seen in traditional live broadcasts, these are more grounded and novel. As a result, sales are increasing. TikTok, one of the world's largest short video social platforms, boasts a vast user base.
Consequently, the market for carrying goods is growing. Therefore, standard couriers progressively deliver products to fulfill customers’ requirements and preferences for online purchases [9].

4.2. In the future of TikTok e-commerce, ordinary people will live with a goods profit model.

TikTok, the essence of e-commerce realization, is to replace advertisements with content, guide consumption through content, and collect a share [10]. In the future, the profit source of live streaming will mostly stay the same. It is still based on live streaming and cooperates with brand merchants to promote goods in the live broadcast room and extract a certain percentage of commissions according to actual sales. In addition, it is also an important profit to cooperate with brand merchants to promote publishing short videos and realize cash according to indicators such as broadcast volume and interaction volume.

5. Conclusion

The rise of Douyin e-commerce provides great opportunities for amateur anchors but is also accompanied by fierce competition. Amateur anchors have taken full advantage of the low-cost and high flexibility of the Jieyin e-commerce platform to promote their products in a low-risk way and realize the rapid promotion of their goods. However, they also need help with various challenges, including content homogenization and low credibility. To stand out in a competitive market, amateur anchors need to continuously improve their creative and sales skills, gain a deep understanding of the needs and interests of their target audience, and develop a targeted content strategy to enhance the uniqueness and attractiveness of their content.

In the future, Douyin e-commerce will continue to grow, creating more business opportunities for amateur anchors. As the platform develops and grows, amateur anchors will play an important role. The diversity of cooperation models will bring more potential profit opportunities for amateur anchors and brands to work together, and they can increase sales by promoting various products with brands. Such collaborations have a win-win potential for amateur anchors and brands, creating more business opportunities for both.

However, amateur anchors must also recognize the ever-changing marketplace and increased competition. They need to continually improve and adapt to changes in the marketplace, remaining innovative and flexible. Only then can amateur anchors continue to thrive and achieve business success on the Douyin e-commerce platform. To summarize, Douyin e-commerce opens up a wide range of prospects for amateur anchors, but success requires constant effort and adapting to the challenges of the market.

Authors Contribution

All the authors contributed equally, and their names were listed alphabetically.

References