

Social Media Marketing Strategy - The Case of Tik Tok

Luming Liu

Business School, Newcastle University, Newcastle, UK

Corresponding author: l.liu46@newcastle.ac.uk

Abstract. In recent years, the short video industry has been rising, and the competition is quite fierce. It is important to review the marketing strategy of the head product Tik Tok and plan the future optimization strategy for the development of Tik Tok. Therefore, the research theme of this paper is to analyze the short video social media marketing strategy with Tik Tok as an example. The research method of this paper is as follows: firstly, this paper analyzes Tik Tok's competitive environment using Porter's five forces analysis, then uses STP strategy analysis and 4Ps theory analysis to explore the existing problems of Tik Tok and propose countermeasures. The above study shows that Tik Tok's marketing strategy has the issues of homogenization of content, too many ads, and limited sharing. Therefore, the existing problems of Tik Tok can be solved by motivating users to produce quality content, improving the quality of ad-based videos, and improving the functions of its social products. In short, Tik Tok's marketing strategy can be optimized in practice to provide users with a better experience.

Keywords: Social Media, Tik Tok, STP, 4Ps.

1. Introduction

By the end of 2021, more than 1 billion people in China will already use the Internet, and Chinese Internet users account for 25% of the 4 billion Internet users worldwide. Meanwhile, the number of mobile Internet users in China exceeds 1 billion. Among them, short video users reached 934 million. 2021 China has more than 300 short video platforms; Tencent, ByteDance and other Internet giants are still actively building. Currently, Tik Tok and Kuaishou are unquestionably the double giants of the quick video industry. Although the fast video industry has entered the red sea, short video still has a significant optimization in future development, enhancing the space. The market size is expected to exceed 400 billion in the next 1-2 years [1]. The research on short videos and Tik Tok is rich; however, in the segment of Tik Tok short video marketing strategy, the related research results are less and not current enough. Therefore, this paper aims to study the marketing strategy of Tik Tok with general users as the marketing target. Firstly, Porter's five forces analysis is used to analyze the competitive environment of Tik Tok. Secondly, the marketing strategy of the Tik Tok short video is analyzed based on the three elements of STP marketing strategy and 4Ps marketing theory, including market segmentation, target market, market positioning, and specific analysis of product strategy, price strategy, channel strategy, and promotion strategy. Then, based on the previous study, the problems of Tik Tok's short video marketing strategy are pointed out. Finally, reasonable optimization suggestions are proposed to solve the existing problems.

2. Tik Tok Short Video Competitive Environment Analysis

2.1 Bargaining power of suppliers

The suppliers of the short video platforms are the publishers of short videos, i.e., content producers. For most short video platforms, their suppliers are user-generated content producers. For most short video platforms, their suppliers are User Generated Content (UGC), Professional Generated Content (PGC), and Multi-Channel Network (MCN) organizations, forming a symbiotic mechanism [2]. Short video platforms often introduce different creator support programs for high-quality original content producers with other training to achieve better results.

2.2 Bargaining Power of Buyers

The purchasers of the short video platform are mainly ordinary users and enterprises with advertising needs. Familiar users mainly pay for short video content through coin support, live shopping, etc. However, because all the short videos and live broadcasts they watch are free, and in the face of different short videos, users have relatively more choices, which directly affect the DAU of short videos, so the bargaining power of ordinary users is strong. And their bargaining power is not the same for different industries and sizes of enterprises with advertising needs.

2.3 Threat of new entrants

At present, the traffic bonus of the short video industry has peaked, and the Internet giants are still actively laying out. The pattern stabilizes, with Tik Tok and Kuaishou being the only two. In the list of top 20 short video apps with monthly active users, six short video APPs of ByteDance are listed [3]. However, from another perspective, if the tool attributes of a short video are combined with other fields, it may be possible to collide with breakthrough products.

2.4 Threat of substitutes

Currently, China has more than 300 short video platforms. Problems such as similar product usage, similar short video content material, overlapping target groups, and head influencer content porting exist between different short video platforms [4]. To stand out among many short video products and maintain a high user stickiness, it is necessary to continuously gather high-quality content and introduce exciting gameplay based on optimizing the product features to maintain strong competitiveness in the product.

2.5 Competitiveness of competitors in the same industry

For Tik Tok, the head product of the short video industry, Kuaishou is a competitor whose strength should not be underestimated. In contrast, Kuaishou has been established for a longer time, has more noticeable attributes of bringing goods, and has a more vital ability to realize cash on the platform. How to continue to optimize and enhance the differentiation advantage in the future, and continue to help users to cash in, is a question that Tik Tok should think about. In addition, compared with powerful social software such as Tencent WeChat and Sina Weibo, Tik Tok's social function is still far behind. As for FeiChat (an open social product) and Duoshuo (a small video social APP for friends) developed by ByteDance, the parent company of Tik Tok, the market response was not up to the expected level [5]. Once the quality videos can enter the OK recommendation pool, the crowd tags will be weakened. More exposure will be given, allowing users in all categories to swipe to such videos [6].

3. Tik Tok marketing strategy status

3.1 STP Analysis

3.1.1 Market Segmentation

The key to market segmentation lies in the analysis of users [7]. For the short video industry, users' usage needs are different, and the types of products are different. After nearly a decade of development, the Chinese fast video industry now has more than 300 short video platforms of various kinds [8], which can be divided into the following six categories: the integrated content category, the tools, community, information, the e-commerce category, and the vertical field category.

3.1.2 Target Market

At the early stage of its launch, Tik Tok mainly targets young user groups in first- and second-tier cities. The video content also primarily focused on trends, music, etc. Combined with Tik Tok's user profile, although the user data of different age groups and regions vary, from a strategic perspective,

as a comprehensive content product, Tik Tok's short videos currently target users of all ages and areas. They involve music, dance, travel, food, and other subdivision categories. This shows that the scope of Tik Tok's target market has expanded compared to the previous one.

3.1.3 Market Positioning

Tik Tok is a short video sharing platform that aims to help the public express themselves and record their lives. Tik Tok has also evolved from a music-based short video to a comprehensive content-based short video. Today, as the number one short video platform in terms of DAU, Tik Tok is constantly expanding its exciting content in different categories. In addition to common types such as music, dance, food, fitness, and travel, more and more content related to folk culture, non-genetic heritage, and Chinese style has emerged on the Tik Tok platform. The resources of the official topic activities make these activities have a stronger influence.

3.2 '4Ps' Analysis

3.2.1 Product strategy

A. High frequency optimization of product features and provision of diverse gameplay. The recommendation algorithm is the biggest highlight and essential feature of Tik Tok. Through primary, multi-level, and popular recommendations, it selects high-quality videos in the station, recommends the most popular and exciting videos to more users, and even enters the hot list. Based on this, Tik Tok's multi-dimensional interactive gameplay has attracted the enthusiastic participation of users. In addition, the combination of short videos and high technology creates an equally enormous appeal to users. These frequently updated props and games further enhance the interaction and stickiness between users and the platform, which directly affects the DAU of the platform.

B. Hot Content Marketing through Topic Challenge. Topic challenges are topics that Tik Tok customizes for its partners and officially releases, mainly divided into three categories: brand challenges, super challenges, and regional challenges. In the past few years, the Tik Tok platform has become increasingly rich in the type of activities, excluding the most familiar food, travel, funny content, and traditional culture-related Tik Tok topic challenges worth mentioning.

3.2.2 Price Strategy

A. Multiple types of ad placement with accurate algorithm recommendations. For Tik Tok's short videos, mainly UGC, PGC, and MCN, in-station advertising is one of the most important ways to realize the platform's cash, which is also one of the most critical manifestations of Tik Tok's short video pricing strategy. Tik Tok's main advertising positions are APP opening screen advertisements, infomercials, TopView ads, and banner ads. The prices of the above four types of ads are different, among which the network display dynamic open screen publication price is 3.36 million yuan/day/round. In contrast, the available screen ad publication price is 240 yuan/CPM [10].

B. Professional commercialization team and official marketing service brand. In addition to high-quality in-station advertising spots, ByteDance, the parent company of Tik Tok, also has a professional commercialization team that can provide customized services for customers. In addition, as the official marketing service brand of ByteDance, Giant Engine integrates the rich marketing resources of Tik Tok, Today's Headlines, and Watermelon Video and is a professional advertising platform.

C. Launch of low threshold DOU+ recharge function. DOU+ top-up is the most direct way for Tik Tok users to quickly increase the number of short video plays and is also one of the platform's profit methods. Users can access the DOU+ recharge interface by clicking the "Popular" button. There are two options for DOU+ recharge, namely the Quick Push version and the Targeted version, with different price options for varying levels of people.

3.2.3 Place strategy

A. Horizontal integration of ByteDance's primary platform resources. Horizontal integration here refers to the comprehensive linkage of various Internet products under ByteDance, the parent company of Tik Tok short videos, to achieve mutual infusion.

B. Expanding influence through the "online topics + offline activities" model. In April 2019, to better show the connotation of cities with unique regional characteristics and record the extraordinary life of different cities, Tik Tok commercialized and launched the annual IP event "Shake in city Good Life Festival," which was held in more than 30 cities such as Hangzhou, Xi'an, Tianjin and Harbin to create a city festival with 500,000 participants. In the event, Tik Tok launched an annual IP campaign, "Shake in the City," in more than 30 cities, including Hangzhou, Xi'an, Tianjin, and Harbin. In the event, Tik Tok linked online hotspots and offline events through customized challenges and invited celebrities and Tik Tok KOLs to participate in the event, which gained immense popularity. The topic "Shake in the city" has received 8.69 billion views [11]. The study of Tik Tok's highlight activities found that most activities were completed through the logic of "online pre-heating, online topic triggering, offline activity landing, and online heat continuation."

3.2.4 Promotion Strategy

A: Enhance fan interaction through the "celebrity + KOL effect. Since the birth of Tik Tok, one of the strategies to increase marketing through celebrities and the KOL effect is evident to all: in July 2018, Tik Tok launched the "Star Chart" platform, a service platform for brands MCNs, and KOLs to trade content. The platform is a service platform for brands, MCNs, and KOLs to trade content, and Tik Tok aggregates a large number of head KOLs through its official platform, providing a more convenient channel for brands to find suitable KOLs for cooperation and marketing, as well as providing more opportunities for KOLs. They produce quality content to cash in. The most intuitive manifestation of the "celebrity + KOL effect" is the data on important topics in Tik Tok.

B. Vigorously promote e-commerce functions such as product windows and Tik Tok mini-shops. Compared with Kuaishou, Tik Tok's ability to cash in on the platform has been slightly inferior. In 2018, Tik Tok and Taobao gave a big "surprise" to the short video industry; Tik Tok short videos can include links to products, and after clicking the links, you can directly jump to Taobao to browse and order products. Tik Tok has been able to charge Taobao sellers for advertising to achieve profits [12].

4. Problems with Tik Tok's marketing strategy

4.1 Homogenization of Tik Tok content

This problem belongs to the product strategy category in the 4Ps, triggered by the platform's recommendation algorithm and a variety of topic challenges and special effects followers. The most beautiful part of Tik Tok is the accurate recommendation algorithm. Big data seems to be able to read the minds of users and

The fresh videos users are most interested in are sent to the cell phone. They will next see more of their favorite videos through a series of operations such as liking, following, commenting, and sharing. But in the long run, users will get tired of such videos. Many videos with apparent homogenization mainly come from two aspects: the homogenized content brought by personalized recommendations of Tik Tok videos; the homogenized content produced by hot followers guided in various topic challenges. Take Xi'an's wrestling bowl as an example; after the short video related to the wrestling bowl wine in Yongxingfang exploded on Tik Tok, many foreign tourist attractions and restaurants began to imitate this form of wrestling bowl, using it as a gimmick, successfully attracting more customers to visit and achieving the purpose of promoting consumption. However, the problem of creative exhaustion and aesthetic fatigue of users has gradually emerged. On the Tik Tok platform, users are the audience of city tourism-related short video marketing content and the creators participating in various topic challenges. Their dual identities make them prone to thinking stereotypically when creating short videos, choosing to imitate popular videos, and hitting Netflix spots to get more likes and attention. The topic challenges common in Tik Tok's short video marketing strategy are a significant cause of this problem, so the issue of apparent homogenization of video content is difficult to disappear.

4.2 Too many ads

This problem belongs to the category of price strategy in 4Ps, triggered by multiple advertising types and with accurate algorithm recommendations. Since its launch in 2016, Tik Tok has been loved by more and more users. DAU's steady growth has also attracted more advertisers to target Tik Tok with various ad placements. Cool TopView, dynamic opening screen ads, precise infomercials, and multi-spot rotating banner ads are some of the diverse marketing methods that have enabled Tik Tok to reap more commercial benefits. But the problem also comes with it. Many advertisements inevitably affect users' perception of high-quality original short videos. Especially for some commercialized short video ads with low-quality content, even if you can mark "not interested" to reduce the probability of the same type of ads, it still significantly reduces the user experience and directly affects Tik Tok's DAU and the length of time users use. It is also difficult to improve the completion rate of short videos, which makes it difficult for brands to achieve commercialization. In addition, due to the length of short videos, more and more creators choose to attract more users' attention and likes by using entertaining titles and eye-catching or even crowd-pleasing quick video content. The content presented in short videos tends to be simple and superficially fun, lacking deep substance and connotation. The serious phenomenon of entertainment is a significant challenge for the future development of Tik Tok.

4.3 Restricted Sharing

This problem belongs to the category of channel strategy in the 4Ps, which is triggered by external competition but is related to the development level of social products developed by Tik Tok's parent company. The market share of social products affects the sharing channel of Tik Tok's short videos, and Tik Tok fails to reduce the impact of limited sharing of short videos through this channel. The first "private friend" button on the Tik Tok platform for video sharing redirects to the installation information of the Dosun APP. Goshen is a social app developed by ByteDance, the parent company of Tik Tok, which has been installed 100 million times according to the Huawei App Store. In comparison, WeChat has 5.1 billion installs. Currently, users cannot share Tik Tok short video links directly to Tencent's product WeChat but instead share Tik Tok codes or static links and then need to download Tik Tok codes or copy the links to open Tik Tok to see the shared content. Even for the Tik Tok red envelope activity during the Chinese New Year in 2020, the related links and sharing codes were repeatedly restricted and blocked by WeChat, which directly affected the users' sense of good experience. ByteDance has no social software to match Tik Tok's short video platform, significantly affecting users' daily off-site sharing.

5. Optimization suggestions and countermeasures

5.1 Motivate users to generate quality content

Tik Tok has the highest DAU in the short video industry and has gained enough influence and popularity. The next step to retain users for a long time is to improve the content of short videos. Whether it's the video content posted by users or the interaction of comments in the comment section, it's all content the platform needs to focus on. To better guide users to release quality content, Tik Tok can establish a creative reward mechanism, collect video ideas for most users, and remove certain traffic rewards for the selected quality ideas. In the process, it can also tap more high-quality creators through a unique support program for creators to further promote more high-quality original content. Based on Tik Tok's existing advantages, such as a large number of users and a mature system, Tik Tok will be expected to achieve further development if it can grasp the opportunity to continue to optimize the platform content and adequately explore the user value and do an excellent job in short video marketing in the future.

5.2 Improve the quality of advertising-type videos

Tik Tok's primary way of profitability is through opening ads and infomercials, which can be placed accurately through the recommendation algorithm so that products of different categories can reach the user's "recommended" interface more accurately. The frequent occurrence of low-quality ads inevitably affects the user experience and the stickiness of users and the platform. Regarding Tik Tok's short video marketing, high-quality short video ads are more likely to attract users' attention and trigger their purchase behavior. Novel Tik Tok topic activities will deepen users' impression of marketing content while perceiving creativity and participating in interaction [13]. Tik Tok short videos should be produced and promoted by tapping into the types of advertisements that customers easily accept. They should be laid out and announced for consumer psychology, with quality advertisements to cater to audience preferences. To ensure that such short video content does not affect either the commercialization of the platform or the user experience. The long-term stable development of temporary video platforms requires a mature and perfect advertising system. For Tik Tok, the audit of different types of ad content should also be strengthened.

In contrast, ad content's aesthetic and creative requirements must be improved to continuously promote high-quality ad content production. This can simultaneously improve ad videos' completion rate and likes and improve brand marketing results. For advertising videos with general content, relevant links should be reduced appropriately to create a high-quality advertising ecology, which also indirectly affects the enhancement of the platform's tonality.

5.3 Improve the function of its social products

ByteDance, the parent company of Tik Tok, has created several quality products in different fields, such as Today's Headlines, Tik Tok, Watermelon Video, and Fish. As a head company in the Internet industry, the available social product FeiChat and the small video social APP of friends Dosun developed by it has not reached the expected level of market response, and their download volume and DAU are far from that of the social chat software WeChat. The lack of matching social chat software for direct video link sharing has affected the play volume of Tik Tok's short videos on the one hand and the user experience on the other. For Tik Tok, improving its social product features is especially important. If users can be guided to share Tik Tok links through their social products in the future, it will be a win-win situation for Tik Tok short videos and the DAU of this social product. At the same time, Tik Tok can further link up with Today's Headlines and Watermelon Video, which belong to the same parent company, to use the social resources of internal products to achieve cross-platform user diversion and interaction. In the case of restricted sharing by external software, priority will be given to breaking the restrictions between internal platforms to share part of the quality content.

6. Conclusion

This paper explores the marketing strategy of the short video social media app Tik Tok through case studies, Porter's five forces analysis, STP strategy analysis, and 4Ps theory analysis. It proposes countermeasures to motivate users to produce quality content, improve the quality of ads, and improve the product features for the existing problems of homogenization of content, too many ads, and limited sharing. This paper's main contribution is providing some references and suggestions for Tik Tok and other short video social media. In the future, this study expects that with the support of big data and artificial intelligence technology, the short video industry products represented by Tik Tok can be continuously optimized to bring service experience upgrades for users and collide with wonderful sparks in the cooperation of different industries and fields.

References

- [1] Xu L, Yan X, Zhang Z. Research the causes of the "TikTok" app becoming popular and the existing problems[J]. Journal of advanced management science, 2019, 7(2).

- [2] Haenlein M, Anadol E, Farnsworth T, et al. Navigating the New Era of Influencer Marketing: How to be Successful on Instagram, TikTok, & Co[J]. *California management review*, 2020, 63(1): 5-25.
- [3] Kaye D, Chen X, Zeng J. The co-evolution of two Chinese mobile short video apps: Parallel platformization of Douyin and TikTok[J]. *Mobile Media & Communication*, 2020:229-253.
- [4] Anderson K E. Getting acquainted with social networks and apps: it is time to talk about TikTok[J]. *Library hi tech news*, 2020.
- [5] Ma Y, Hu Y. Business model innovation and experimentation in transforming economies: ByteDance and TikTok[J]. *Management and Organization Review*, 2021, 17(2): 382-388.
- [6] Klug D, Qin Y, Evans M, et al. Trick and please. A mixed-method study on user assumptions about the TikTok algorithm[C]//13th ACM Web Science Conference 2021. 2021: 84-92.
- [7] Dolnicar S, Grün B, Leisch F. Market segmentation analysis: Understanding it, doing it, and making it useful[M]. Springer Nature, 2018.
- [8] Lu X, Lu Z. Fifteen seconds of fame: A qualitative study of Douyin, a short video sharing mobile application in China[C]//International Conference on human-computer interaction. Springer, Cham, 2019: 233-244.
- [9] Yang Y, Ha L. Why people use TikTok (Douyin) and how their purchase intentions are affected by social media influencers in China: A uses and gratifications and parasocial relationship perspective[J]. *Journal of Interactive Advertising*, 2021, 21(3): 297-305.
- [10] Wayne R. TikTok Marketing Profits[M]. Estalontech, 2020.
- [11] Shan C. The Construction of City Image in Short Video: A Case Study of Xi'an in the Short Video of Douyin[C]//2020 5th International Conference on Humanities Science and Society Development (ICHSSD 2020). Atlantis Press, 2020: 111-114.
- [12] Liu Z. Research on the current situation and future trend of web celebrity e-commerce live streaming industry[C]//2020 The 4th International Conference on Business and Information Management. 2020: 133-137.
- [13] Li S, Liu P, Li W. The impact of white space on consumers' perception of and attitude toward advertising[J]. *Social Behavior and Personality: an international journal*, 2022, 50(2): 1-11.