

E-Commerce Operational Strategies Through Live Delivery: Case Study of Tiktok'S Live Delivery Model

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Abstract. The development of new e-commerce marketing methods shows great potential, among which TikTok Live Delivery has attracted much attention as an emerging form. This study explores in depth the mechanism and development trend of TikTok Live Delivery and consumer attitudes and trends towards this mode. The study's findings suggest that factors such as authentic anchor image, high-quality product presentation, and instant interactive feedback are crucial to the success of live streaming in live marketing. In addition, the study reveals trends in the development of TikTok Live Delivery, calling for integrating more social and e-commerce features to meet consumers' individual needs, thus facilitating the innovation and evolution of the marketing model. The study of TikTok Live Delivery provides a better understanding of the development of this emerging format in e-commerce. It provides companies with more thoughts and guidance on marketing strategies.

Keywords: TikTok, live delivery, Create value, E-commerce.

1. Introduction

The e-commerce industry has become the main trend of current social consumption, and live delivery has become a hot spot in the field of e-commerce [1,2]. Compared with the traditional e-commerce model, live delivery is more intuitive, vivid, and real-time [3, 4]. By watching live videos, consumers can interact with sellers in real-time, learn about product functions, quality, and other aspects, and obtain a more authentic shopping experience [5]. For sellers, live delivery will also become a new way of marketing, selling products through live streaming platforms and attracting more consumers [6]. Therefore, for e-commerce enterprises, how to effectively promote products, promote sales, and enhance brand awareness through live broadcasting platforms has become an urgent research issue. This paper studies the operation strategy of e-commerce based on live delivery. It puts forward a series of feasible strategy suggestions to help e-commerce enterprises better play the advantages of live delivery and promote the sustainable development of enterprises.

Live delivery has become an important trend in the e-commerce industry as a new marketing model, increasingly by consumers and brand enterprises' attention [7, 8]. It is significant to study the operation strategy of live-streaming e-commerce to improve brand marketing efficiency, enhance consumption experience, promote the development of the e-commerce industry, and meet the different needs of consumers and brands. First, we should explore the market potential of live delivery, understand the needs and behavioral characteristics of consumers, master the shopping habits and psychology of consumers, and provide necessary data support for the marketing decisions of brands. Secondly, an in-depth analysis of the product selection, brand marketing and payment processes and other operational strategies for live delivery to provide brand enterprises with solutions and experience sharing to improve marketing effects and enhance user experience. Then, analyze the competition pattern and industry trend of live delivery, grasp the future development direction, and provide development strategies and core competitiveness enhancement programs for brand enterprises. Then, the differences in operational strategies and styles of live delivery in different scenarios are studied to help brand enterprises better understand consumers' psychological needs and shopping behaviors and provide targeted operational strategies. Finally, a comparative analysis of the

differences between live delivery and traditional e-commerce and integration of development opportunities to help enterprises seize the opportunity to win more market share.

2. Development Process

TikTok live delivery is divided into several stages. The first stage is the water testing period, which began in early 2018. At this stage, Tiktok began experimenting with embedding product links in videos so users could jump directly to the purchase page. However, this testing phase yielded few results because users were not interested in video advertising links [9].

The second stage is the initial development stage of TikTok e-commerce. In 2019, Tiktok launched live streaming functions. At that time, live streaming was mainly entertainment, and live streaming had yet to become mainstream. At this stage, Tiktok began to launch a series of e-commerce features, including a commodity window, brand short video, live delivery, etc. Launching these features makes Tiktok a platform with shopping functions, and users can buy goods directly through Tiktok.

The third stage is the deep development stage of TikTok e-commerce, that is, the stage starting from 2020. The coronavirus pandemic has restricted offline business activities, and more merchants have begun to bring goods online. At this stage, Tiktok e-commerce began to cooperate with Taobao, Tmall and other platforms so that more users could see the goods of Tiktok. Then it entered the professional stage, and the live streamer began to rely on its reputation, professional skills, traffic and the number of fans to become a spokesperson who accepted the brand's payment and began to have its studio.

So far, TikTok has entered the stage of standardization. With the development of TikTok live delivery, the platform's management of live delivery is becoming more and more standardized. The platform began to strengthen the review and control of live streamers, live content, and goods, thus protecting consumers' interests and promoting the platform's healthy development. Although the Douyin platform needs to be strengthened in many aspects, according to relevant data, more than 50% of consumers said that they would participate in the Double 11 event through Douyin in 2020, and more and more brands began to use it as one of the marketing means. Many well-known anchors have made huge profits through their live streaming of TikTok tapes, and the service has become an indispensable part of their income source.

But at the same time, the live delivery function of the Tiktok platform also has its challenges. Internet live delivery marketing activities have contributed outstandingly to social and economic recovery and growth [10]. But, with the continuous emergence of short video software, the domestic short video market tends to be saturated. Meanwhile, given the high popularity of live delivery on short video e-commerce platforms, relevant government departments continue to strengthen supervision and management. In the face of changes in the external environment, The Tiktok live delivery platform needs to adapt to the changes in the external environment as soon as possible, give full play to the technical advantages of the platform itself, and promote the sustainable development of the field of live delivery.

3. Operation Strategy

3.1. Competition Strategy

3.1.1 Products

Regarding product strategy, the enterprise can focus on the market segment and customize products accordingly to meet different market demands and provide personalized services so that consumers can get suitable products that depend on their needs. In addition, enterprises can also pay attention to popular products and increase exposure to theirs. Through optimizing products, enterprises can enhance the quantity of sales and occupancy in the market. At the same time, to satisfy consumers' diversified requirements, enterprises should keep changing the styles of products.

3.1.2 Price

The price of products can be adjusted accordingly based on competitors' different goals and needs in the market. Under the premise of ensuring product quality, sales promotions, including discounts, special offers when spending enough, and getting one when buying one, can be applied properly to catch consumers' attention and add to the sales rate. On some special days or during less live streaming traffic, special offers can be given to customers at certain times to create a sense of urgency, which makes consumers purchase goods as soon as possible.

Surely, the uncommon methods of High to Low Comparison and Mantissa Pricing on Tiktok play an important role. The High to Low Comparison ostensibly means a lower price will increase product sales. More importantly, when selling similar products in an online shop, merchants should display the products with higher prices on the web page layout and then display the lower prices layer by layer. For example, a series of prices of products about a certain brand phone is displayed on its official flags from right to left or top to bottom, which enhances consumers' willingness to buy the series of phones., Mantissa's Pricing strategy roughly has the following points: firstly, avoid using an integer with oddment to indicate the price. That's based on consumers' desire for cheaper products and using the difference in consumers' wrong perception of price, which makes them consume positively. A product priced at 99.95 yuan and a product priced at 100.05 yuan, though there is a difference of 0.1 yuan, the former is considered less than 100 yuan, while the latter is more than 100 yuan, which makes consumers choose the cheaper one easily. Research shows that when people buy fruits, 42.71% choose fruits with 5 yuan per catty, and 57.29% choose the ones with a price of 9.8 yuan per kilo. The result suggests that it doesn't make a difference to the sales although the former's is higher than the latter's. However, the situation is different in the sales of appliances; 82.29% of consumers will buy the goods at the price of 4999 yuan because the price can enhance their desire to consume. Compared with the ones at 5000, only 17.71% of them are willing to choose the appliances with the higher price. Secondly, when indicating the prices accurately. It's better to price the mantissa with a unit of a cent, which impresses consumers simply because they consider merchants to give the prices seriously and carefully. As a result, they will trust the enterprise firmly. Third, by local customs and requirements, the price of the last number to take "6", "8", "9" and other encouraging figures.

3.1.3 Promotion Strategy

Live streaming takes advantage of the traffic advantage of the Douyin platform: the huge user group that can attract users' attention and purchases by releasing attractive short video content. Enterprises can use a variety of promotions, such as TikTok advertising, KOL (Key Opinion Leader) promotion, and community interaction. Through effective promotion, enterprises can improve brand awareness and exposure and increase consumer willingness. For example, using the influence of celebrities or Internet celebrities by cooperating with them to get them to endorse or recommend products, increasing the exposure and sales of products, Using the live streaming function of Douyin to let users interact with anchors in real-time, inviting professional anchors or industry experts to live broadcast, show users how to use products, effects, etc., and increase users' desire to buy; With the advertising of Douyin, merchants can choose the appropriate advertising form and placement, display the product advertisements to the target user groups, and increase the exposure and sales of products.

3.1.4 Service Strategy

Enterprises can also improve customer stickiness through after-sales service and other means. First, to ensure consumers' purchasing experience and satisfaction, Tiktok e-commerce needs to provide a full range of after-sales services, such as the most basic e-commerce platform services such as 7-day no reason to return goods, product warranty, and after-sales consultation. Secondly, strengthen product quality control. The commerce platform of TikTok needs to strictly control the quality of its merchants to ensure that users can buy high-quality products. For those merchants with serious quality problems, the platform needs to punish them to protect the interests of consumers. Then, it will offer diversified payment methods for different users. To meet users' diversified needs, Tiktok e-commerce needs to provide diversified payment methods to meet the different payment habits of users, such as

Alipay and WeChat Pay. UnionPay, Huabai, etc., to improve the convenience of users' payment and increase the conversion rate of purchases.

3.2. Innovation Strategy

Douyin Live Stream Belt is an e-commerce innovation that combines social media and commerce to show users the goods through the live stream format and provide purchase links so that users can purchase the goods directly in the live stream. Combining traditional commerce sales with short video platforms offers consumers a new shopping experience. Through immersive shopping, social environment, personalized recommendation, real-time data monitoring and other innovations

As a new method, Tiktok live streaming has promoted the brand promotion and sales growth of merchants and enhanced users' shopping satisfaction and loyalty. This business model innovation has also inspired other industries in marketing and sales and promoted the continuous evolution and innovation of business models.

3.2.1 User Strategy

Attracting well-known anchors: TikTok attracts more users to watch live programs with goods by signing well-known anchors. These well-known anchors usually already have many fans and loyal user groups, which can bring more traffic and users to the platform.

Provide coupons and discounts: To attract users to buy goods, Tiktok will provide some coupons and discounts in the process of live delivery to reduce users' purchase costs and increase users' purchase desire.

Recommend popular goods: To improve users' conversion rate and purchase rate, Tiktok will recommend some popular goods and goods that users may be interested in according to users' interests and historical behaviors to increase users' purchase willingness.

Provide - sales service: In the process of live delivery, Tiktok will provide users with after-sales services, such as return and exchange services, after-sales consultation, etc., to enhance users' confidence and satisfaction in shopping. .5. Cultivate users' shopping habits: By regularly pushing live notices and preferential information, TikTok will cultivate users' habit of watching live delivery regularly and improve user stickiness.

To sum up, Tiktok's user-streaming user strategies include attracting well-known anchors to settle in, providing coupons and discounts, recommending popular products, providing after-sales service, and cultivating users' shopping habits. In the future, Tiktok will continue to deepen its content ecology, improve user experience, strengthen data analysis, strengthen its competitiveness in live streaming and shopping, and provide better shopping experiences and services.

3.2.2 Marketing strategy

Selection and collocation: Anchors must carefully select commodities before live broadcasting and conduct reasonable collocation and combination. By deeply understanding the needs and preferences of the target audience, they choose products with attractive sales potential and combine them cleverly to improve the audience's desire to buy.

Content innovation: Anchors must provide interesting and valuable content in the live broadcast to attract viewers' attention and increase their desire to buy. They can promote products by showing product features, demonstrating how to use them, sharing personal experiences and other ways, and combining their style and personality for creative presentation.

Limited-time offers and benefits: To stimulate the audience's desire to buy, the anchor can provide limited-time offers and welfare activities, such as discounts, gifts, full reductions, etc. These preferential measures can increase the sales volume.

Social promotion and cooperation: The anchor can promote through social media, circle of friends and other channels to attract more viewers to participate in the live broadcast and bring goods. In addition, cooperating with brand merchants or other anchors to jointly promote goods is also an effective marketing strategy.

Interaction and communication: Anchors will actively interact with the audience, answer the audience's questions, solve doubts in the live broadcast, and adjust the recommendation strategy according to the audience's feedback. By establishing a good interactive relationship, viewers can enhance their trust in the anchor and promote the purchase behavior.

Data analysis and optimization: Anchors should analyze and optimize live broadcast data, understand the audience's behavioral characteristics and purchase preferences, and adjust the strategies of product selection, content creativity and other aspects according to the data results to improve the effect of live broadcast delivery.

4. Suggestions for the Future Development

The Tiktok platform should optimize the live broadcast content, improve the professional degree of merchants' live broadcast and product display ability as well as the richness and professionalism of live broadcast content, optimize the way of commodity display, provide multi-angle display, detailed display, etc., improve the quality of display, actively innovate the form of bringing goods, keep pace with The Times, make it more in line with users' shopping needs and consumption habits, and increase users' purchase desire.

Regarding live streaming with goods, the TikTok platform should focus on and strengthen institutional management to prevent undesirable phenomena such as cheating consumers. Establish sound rules and standards for live delivery of goods, prevent vulgar content and bad behavior, and protect the interests of consumers. As well as improving pre-sale commodity quality audit and after-sales logistics return and exchange services so that consumers have better purchase intentions for a good impact on the platform.

User participation is also important in the process of live delivery. It can strengthen user participation, enrich interactive gameplay, and enhance user stickiness, such as gift giving, lottery, etc., to obtain better live results. Large-scale or seasonal-themed activities can be held regularly to create a novel user shopping experience. The host can communicate with users more, let users immerse themselves in the live atmosphere to feel the goods, enhance users' trust in the live broadcast of goods, provide a more convenient shopping environment, and make consumers more comfortable shopping and communicating in TikTok.

Another point that needs to be more intensive is the diversification of the promotion content. The age span of TikTok users is very large, so in the promotion, we should pay attention to the diversification of the promotion content. For example, in addition to advertising videos, people can introduce interesting games, challenges, and other content to get users involved and improve user stickiness and word-of-mouth. In addition, the promotional content should be rich and colorful so that users can choose and subscribe according to their interests and hobbies to increase their loyalty to the TikTok platform.

Finally, it is particularly important to establish brand cooperation. As a social media platform, TikTok should actively establish cooperation with brands to enhance brand awareness and influence. At the same time, we can cooperate with brand owners and suppliers to prepare a sufficient supply of hot goods recommended by the broadcast room in advance and use the brand effect of the goods to enhance the flow and heat of the live broadcast. At the same time, the brand will also gain broader market coverage, achieving a win-win situation.

5. Conclusion

TikTok e-commerce is a new Internet consumption industry with huge commercial value. Brands must focus on the refined operation of live delivery, data analysis and optimization. At the same time, it is necessary to select a suitable anchor, build a brand image, and choose the right product and pricing strategy to improve the effect of live delivery and sales performance. Douyin Live provides a new way of social communication for the host and users and a new sales channel for many merchants.

Currently, the number of users and the degree of commercialization are constantly growing, bringing many opportunities and convenience for users and merchants. TikTok live broadcast is a very potential live broadcast with broad market prospects and development space. But at the same time, it also faces some challenges and problems, which need to be continuously optimized and improved.

Authors Contribution

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

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