

A Rising Marketing Star – A Study into Douyin Marketing

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ABSTRACT

Short video platforms available in the current market are no longer only a tool for entertainment, but also for the purpose of marketing. The study specifically focuses on first analyzing the status of Douyin in the industry. Based on knowledge acquired from academic readings and news articles about different product advertisements on Douyin, as well as practical experiments done on Douyin, the study analyzes both the deficits and advantages of launching advertisements on Douyin. Beyond those, the study brings up advice on how different advertisements should be launched on Douyin for the marketing industry.

Keywords: *Short video clips, Douyin, marketing*

1. INTRODUCTION

According to statistics provided by Jing Daily, there are over 600 million daily active Douyin users in China as of January 13, 2021 [1]. This overwhelming number of users indicates a large, un navigated, potential consumer market for all sorts of products. Subsequently, although the public often perceives Douyin as a source of entertainment, many companies treat Douyin as one of the best marketing tools when they wish to advertise their products or build their brand image. The reason behind the enormous popularity of Douyin is mainly due to the phenomenon that most people now prefer messages delivered through the format of videos rather than text [8]. Nonetheless, Douyin plays an undeniably important role in generalizing this phenomenon in not only China, but across the whole world.

In this era which prefers fragmented reading to gain all sorts of knowledge, short video clips that last from 15 seconds to 5 minutes are generally much more acceptable in comparison to long videos. Consequently, in the current market, advertisements in the form of short videos are at a more advantageous position than other types of video advertisement. Short video advertisements that last less than 30 seconds are more effective than other types of advertisements, as people’s best attention spans are within 30 seconds.

The facts listed above might be the reason behind the great popularity of Douyin, but why do companies often favor Douyin more than other platforms for the purpose

of advertising? This issue is discussed in detail in this study.

2. A 4C ANALYSIS INTO DOUYIN

This study leverages the 4C framework (customer, company, competitors, collaborators) to analyze Douyin and the reasons why it is the most popular new advertisement platform in the marketing field at the moment.

2.1. CUSTOMERS

As mentioned in the beginning of this article, Douyin users can be seen as an unexplored customer market who have high “potential” purchasing power, as most Douyin users do not have the habit of directly purchasing through Douyin or purchasing immediately after browsing through certain advertisements on Douyin. Instead, advertising videos on Douyin are more likely to give the users various types of impressions on the product. This issue is mainly due to the design of Douyin, specifically its interface.

There is a section named “For You” on the interface of Douyin, which is the section where the majority of the Douyin users spend their time. Due to the design of Douyin’s “For You,” section, many Douyin influencers are unable to establish a stable relationship with their account followers. For example, if a Douyin user chose to follow a Douyin account named “A,” they may not

see any videos from that influencer in the next half of the year, as most Douyin users prefer browsing through the “For You” page. The “For You” page would provide customized video content that matches the user’s interests to that Douyin user using artificial intelligence. This feature puts Douyin at a disadvantageous position in comparison to other platforms if the companies merely aim for a temporary large boost in their sales through directly sponsoring certain Douyin influencers. The strategies of the competitors of Douyin, specifically Kuaishou, are illustrated in a later section.

Douyin has three different versions, each catering to different types of audience. The three versions available are Douyin Huoshan, Douyin Lite and Douyin.

Unlike Douyin and Douyin Huoshan, Douyin Lite does not support users to generate their own video content and post them on the platform. Douyin Lite is more of a simplified version of Douyin, which does not require as much data to use and download the app [4]. It also does not allow online shopping. Such features cause Douyin Lite to be more popular among users living in the undeveloped region. But the features also make Douyin Lite not a good advertisement place since no purchases would be fulfilled. Douyin Huoshan originates from the app named Huoshan Video, and most of its users are from suburban areas and undeveloped cities in China. Users of Douyin Huoshan are more sensitive to cash rewards in comparison to those of Douyin [7]. In addition, due to the interface design of Douyin Huoshan, the process of purchasing products through Douyin Huoshan is more straightforward and convenient in comparison to Douyin, which suits what the target audiences want from online content and online shopping perfectly.

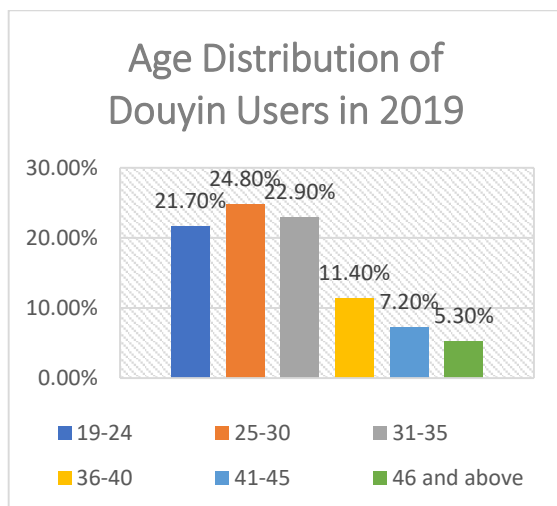


Figure 1 A Demonstration of Age Distribution of Douyin Users in 2019 --- note that the majority of the Douyin users are under the age of 35

Furthermore, unlike Douyin Huoshan and Douyin Lite, almost half of the Douyin users come from considerably developed cities in China, which is quite a

high proportion in comparison to other short video apps [9]. The figure shown above is a graphical demonstration of the age distribution of Douyin users in 2019. Around 70% of Douyin users are in the range of 19 to 35 years old [9]. Thus, the users of Douyin undeniably make this platform one of the best platforms for advertising, as most of them have high potential purchasing power.

2.2. COMPANY

Douyin is owned by a Chinese company named ByteDance. Although Douyin is now one of the most popular short video platforms in China, when it was first launched in China, many of its initial users actually came from ByteDance apps. In other words, the success of Douyin partially originates from the app matrix by ByteDance, as ByteDance apps have also provided a reliable external advertisement platform for Douyin, which in turn offers Douyin and its advertisement clients bigger reach in the industry.



Figure 2 The app matrix of ByteDance – Note the two left icons with music notations refer to Douyin and Douyin Huoshan

ByteDance is also the developer of the Chinese news and information platform named Toutiao, which has over 120 million daily active users as of June 11, 2021 [2]. This implicitly cultivates a positive relationship between Toutiao and Douyin. For example, Douyin users would be able to log into Toutiao using their Douyin accounts, and vice versa. Douyin influencers can also choose to sync their videos posted on Douyin with Toutiao. In addition, Douyin users can directly share videos on Douyin to Toutiao. Unlike other platforms such as Weixin, it only allows Douyin users to share videos after saving them.

For users who have interests in the Douyin accounts that posted those videos, they would have to go on Douyin and search the account by entering the 10-digit Douyin ID shown in the video. Once Toutiao users sign up for an account on Douyin, Toutiao will automatically post a message regarding the user becoming a Douyin user in the Toutiao account. The contrast in the way the two different platforms share Douyin videos on their own application fully demonstrates the relationship between them and Douyin.

The strong collaboration between the two major apps from one powerful player in the market makes it smooth and convenient for Douyin to achieve significant growth as an advertisement platform.

2.3. COMPETITORS

In recent years, Douyin's main competitor in the field of short video clips is Kuaishou. Some people may claim that the video channel on Weixin could also be a strong candidate for competition. However, the video channel on Weixin is different from both Kuaishou and Douyin. As Weixin itself is a social messaging application that is commonly used among all Chinese, including those overseas, this platform doesn't only offer advantages to the development of its video channel, but it also sets restrictions on the development of its video channel to maintain its basic positioning in messaging tools: Weixin cannot directly advertise its video channel, as it might influence the core function of Weixin, chatting and socializing with people. In other words, the video channel on Weixin itself is still under great changes; therefore, companies would not be inclined to advertise their products on an undeveloped platform with great uncertainties. It will not become a great competitor to Douyin any time soon.

On the other hand, Kuaishou, is the biggest competitor of Douyin. Its system of recommending video content to users is a lot different from Douyin. While it is common to see videos with over 500 thousand likes when you first log into Douyin, videos on Kuaishou often have around 10 thousand to 100 thousand likes. This difference is a result of their distinct systems of recommendation. While Kuaishou aims to offer equal exposure to all user-generated content regardless of their producers, Douyin would offer a higher amount of exposure to videos that have already gained popularity [5]. This causes Douyin to be in a more advantageous position for the purpose of advertisement. Companies that pay Douyin influencers to advertise their products would have a higher chance of exposure of their products in comparison to Kuaishou influencers. Nonetheless, these two platforms also target different audiences. While Douyin targets more of the younger audience located in developed cities, Kuaishou targets more of the population living in the rural areas.

2.4. COLLABORATORS

According to Tencent news, Douyin reached an agreement with JD.com before June 18, 2021, by signing a contract related to 20 billion RMB for 2021's gross merchandise volume (GMV) [6]. As a result, Jingdong became an online store available on Douyin, and Jingdong is responsible for marketing promotion and logistics fulfillment. This collaboration offers Douyin many benefits in the aspect of supply chain, both the depth and breadth of products available (more brands and SKUs). However, the most essential point behind this cooperation is the fact that in 2020, Kuaishou was JD.com's collaborator. In other words, Douyin did not only obtain a strong collaborator, Douyin also weakened

the strength of its main competitor Kuaishou at the same time. During this period of cooperation, JD.com and Douyin would split the profits according to the rules of different brands. In addition, this news regarding their cooperation also awoke many consumers' interests on participating in the 618 Shopping Festival, the largest mid-year shopping festival in China. Since the news of JD.com products becoming available on Douyin spread in public, this can be seen as an effective and creative marketing strategy.

3. A PEEP INTO DOUYIN MARKETING: "SUPER IDOL'S SMILE"

Based on Douyin's information and status in the market, this study analyzes one of the most recent and "successful" marketing campaigns Douyin has done for Watsons' distilled water. The song that advertises Watsons' distilled water was published in 2019; however, it initially did not receive much attention. The name of the song is "Super Idol's Smile." In the middle of June in 2019, Douyin launched a challenge for Douyin users to film videos using customized stickers and music and publish them on Douyin. According to the number of likes received for each video and how the video related to the song, Watsons offered various types of awards and a chance to be included in the actual music video of the song. If any Douyin users searched up the tag #lovethel05degreesyou, they would see the challenge posed by Douyin, the instruction to participate in the challenge and the rewards for winning the challenge.

Nonetheless, this marketing strategy did not receive as much attention as initially expected. Surprisingly, because of Zhehan Zhang's fans using this song to celebrate Zhehan's birthday in April 2021 and Zhehan's performance of the song, more people recognized the captivating melodies of this song, causing "Super Idol's Smile" to go viral on Douyin around May 2021. It is undeniable that Zhehan's popularity in China in April and May of 2021 has definitely been one of the major reasons behind the prevalence of "Super Idol's Smile." As of August 29, 2021, the tag of #lovethel05degreesyou on Douyin has gained over 4.3 billion views, and 316 thousand related videos have been produced.

3.1. THE INITIAL MARKETING CAMPAIGN

The initial advertisement method of posing a challenge for all Douyin users comes with some problems due to the mode of typical advertisement on Douyin. Before analyzing the problem contained in the campaign, it is necessary to first understand the 3 types of video content available on Douyin: User Generated Content (UGC), Professional User Generated Content (PUGC), and Professional Generated Content (PGC).

UGC as stated in its name represents any form of content, typically short videos on Douyin, that have been

posted by regular Douyin users. PUGC on Douyin are videos created by professional users, such as Key Opinion Leaders, and celebrities. Finally, PGC are the videos produced by professionals: accounts registered by companies or brands.

For this marketing campaign, it is clear that Watsons wishes to encourage more of the user generated content to advertise its product, instead of posting professional generated videos (videos generated by Watsons' team). However, a huge problem in the user generated content available on Douyin is the herd effect. As mentioned above, it is difficult for Douyin influencers to establish a stable relationship with their followers. Therefore, many Douyin influencers would create videos based on current trends. In this campaign, the rules written under the tag further exaggerated this problem; Watsons wanted Douyin users to film the video using the same segment of the song, and the same set of customized stickers. This obviously further limited Douyin users' ability to innovate, causing most videos to look identical to each other. Subsequently, it is hard for such videos and challenges to go viral.

3.2. THE EXTREME POPULARITY

To begin with the analysis of this "successful" campaign, it is essential to understand people's motivation for using Douyin, which is for the purpose of entertainment. This motivation brought "Super Idol's Smile" to success, and it also caused it to partially lose its original purpose - it resulted in the fact that Watsons' key marketing idea was not fully promoted by the various Douyin influencers, though it was Watsons that first brought this song to the attention of the public. Many Douyin users used this song as their background music, which is shown through the high number of videos (316,000) under the tag of #lovethel05degreesy0u. This can also be seen as proof of Douyin's ability to spread the word for good quality advertising content. However, most people who have heard this song do not draw a connection between the song and Watsons' distilled water, the product Watsons wishes to advertise through the song. This is evident based on the large contrast between the view counts of the tag #lovethel05degreesy0u and the actual number of sales for Watsons' distilled water on Douyin; the sales were only 22 thousand as of August 29, 2021 in comparison to the 4.3 billion views. In other words, during the four stages of the conversion funnel, a large proportion of people who have listened to "Super Idol's Smile" at the stage of "attention" did not reach the stage of "taking action" to purchase the distilled water provided by Watsons. The contrast between the huge online exposure and the limited sales made it clear that the conversion of advertisements on Douyin would continue to be a concern for marketers on this platform in the future.

3.3. ISSUES IN THE CAMPAIGN AND WHY

The main reason behind this issue is a result of the usual mode of Douyin's advertisement. As mentioned, most people's original purpose of scrolling through Douyin is for entertainment. When people scroll through apps such as JD.com, Taobao, and Tmall, they are looking to shop for ideal products. To cater to the needs of Douyin users, some advertisements on Douyin become regular video content. This phenomenon can also be seen as the result of the way Douyin spreads the word for products: establish social interaction, create a good brand image, and utilize big data. When these three purposes are combined, it lessens the original purpose of a marketing advertisement, and consumers would have a better impression on the ads of the product. However, such cases can be harmful to the company who posts the advertisement, as they may not be able to see a drastic temporary boost in the sales of the advertised product.

To further illustrate this case, when many Douyin users used "Super Idol's Smile" as the background music of their video, they did not see the song as any type of advertisement. They simply saw the song as a matching choice for the theme of their video, so do the people who watch those videos. Out of the 4.3 billion views under the tag #lovethel05degreesy0u, a portion of the Douyin users might recognize the lyrics contain the word "distilled water." Nonetheless, out of these users, a huge portion of them might consider "distilled water" as a matter of description. The situations described above can be seen as the demonstration of why most Douyin users do not have negative emotions towards Watsons' advertisements. As many of them do not recognize the song as a type of advertisement, they would be less likely to impulsively purchase the advertised product (Watsons' distilled water) through Douyin.

4. INSIGHTS ON ADVERTISING THROUGH DOUYIN

Douyin is undeniably an effective marketing platform for companies that wish to raise public awareness of their products. However, for companies that wish to advertise brands over products or have a drastic boost in sales temporarily, Douyin may not be the best choice for them.

Today, Chinese companies tend to value their brand images more than specific products. It is considerably uncommon for Douyin videos to advertise for a specific brand rather than products. As most Douyin influencers aim to normalize the advertisement portion in their videos, it might be difficult for companies to receive a direct boost in sales during or after the advertising period, specifically through the online stores available on Douyin, even if their advertising content went viral on Douyin. A matching example for this phenomenon would be the sales of Watsons' distilled water on Douyin; only 20 thousand bottles of distilled water were sold in

comparison to the 4.4 billion views of their advertisements.

The improper design of the purchasing page on Douyin would be one of the reasons to cast light on this. When a user has an interest to purchase Watsons' distilled water due to the positive impression brought by the advertising song, they might have trouble searching for the product under the tag of #lovethel05degreesyou or the song name. There is no section for directly purchasing Watsons' distilled water under the tag #lovethel05degreesyou. What's worse, the product that the song advertised is surprisingly at the very bottom of the product list available on Douyin. There is also no link to the purchasing page of Watsons in the product section. This significantly reduces the chance for Douyin users to impulsively purchase the advertised product due to the long searching process.

Besides the long searching process, there is another problem involved when most Douyin influencers advertise for products that are not available on Douyin stores. They would often give a detailed description of the product in their videos and the introduction part is always intriguing to customers. However, as explained in the previous sections, unless the influencer has a strong connection with his or her followers or the brand of the product already has a decent reputation, it might be hard for consumers to perform impulsive purchases. This type of advertisement also shares an identical deficit as the advertising song analyzed in this essay; it involves a longer searching process. Once the consumer is interested in the product advertised, they would have to type out the name of the product on another purchasing platform, which again makes the purchasing process unnecessarily long and complicated. The shorter the process of purchasing, the easier for consumers to make impulsive purchases.

The mode of Douyin as a short video platform also further exaggerated this problem. Short video platforms are very popular according to the statistics that people usually spend 1.5 hours on them while they normally only have 5.1 hours for apps every day [3]. However, the reason behind the popularity of Douyin is its short video format, not necessarily the content, which means that addicted short video users can easily swipe between videos, and they often do not have a strong impression even after watching those advertisements.

5. ADVICE ON MARKETING ON DOUYIN

Although Douyin currently is not a mature and finely developed online shopping application in comparison to JD.com and Taobao, the large number of daily active users Douyin possesses can be seen as a hidden treasure. Subsequently, advertising one's product on Douyin is worth the price in some scenarios, specifically if the company wishes to rapidly raise its public awareness.

A successful example would be MIXUE in comparison to Watsons. Unlike "Super Idol's Smile," the name of the advertising song for MIXUE is its brand. Throughout the lyrics, the brand is also being emphasized multiple times. There are 1.7 million people who used this song as their background music, which shows that adding the brand name does not heavily affect its ability to go viral on the internet. More importantly, there is a large portion of Douyin users who used the song as their background music and created videos related to the products provided by MIXUE. Hence, there are a couple of suggestions for advertising on Douyin.

If companies decide to launch an advertising song as their marketing campaign, it is essential to place their brand name inside the campaign and draw the connection between the advertised product and the advertising song for the public. Unless the advertised product is protected by patent, the advertisement would not only benefit the company that did the promotion, but also all related products. For example, in the song named "Super Idol's Smile," most Douyin users who heard this song acquired a positive impression on distilled water in general, rather than specifically the distilled water provided by Watsons. Although Watsons emphasizes the point that its distilled water undergoes the process of distillation with 105 degrees throughout the song, many Douyin users cannot draw a connection between the advertised slogan with Watsons' distilled water. Subsequently, for the advertising song to reach its full potential, it is essential to include the brand name inside its lyrics, specifically the brainwashing part.

Furthermore, another piece of advice is to monitor the fluctuation of all sorts of statistics during the period of advertisements, such as view counts, the number of likes received, and the number of people who used the song as their background music. Based on those statistics, the company should make timely adjustments to their marketing campaign, specifically to prevent people from hearing the song without knowing the advertised brand. To illustrate, towards the sudden popularity coming from their advertising songs, MIXUE's and Watsons' official accounts on Douyin performed two utterly different actions. While MIXUE utilized the popularity brought by its advertising song to promote its official Douyin account for further promotion, Watsons' Douyin account stayed rather silent. The videos created by Watsons during the period when its advertising song went viral on Douyin were mostly not related to the advertised product nor their brand. In addition, they also did not use "Super Idol's Smile" as their background music in their videos for further promotion. These two distinct attitudes caused contrasting results in the aspect of raising public awareness of the two brands. MIXUE was considerably more successful than Watsons by using this advertising song to raise awareness of their brands, leveraging the content ecology features of Douyin.

6. CONCLUSION

To summarize the study, benefiting from both ByteDance's app matrix and JD.com's collaboration, Douyin is currently at an advantageous position in comparison to other short video platforms in terms of launching advertisements for both products and brands. Nonetheless, to achieve a successful marketing campaign on Douyin, it is essential for companies to pay close attention to current trends on Douyin of normalizing advertisements into regular entertaining videos. This phenomenon might have reduced Douyin users' resistance against different advertisements. However, as advertisements get covered as regular videos, they would also risk losing their original purposes: promoting sales or raising awareness. In addition, as the growth of the popularity of advertising content on Douyin is often not under control, it is important to carefully monitor changes in related statistics, such as likes, views, and shares, for timely adjustments to the original marketing campaign. By taking these advisements into consideration, companies would have a higher chance of reaching their expectations through advertisements on Douyin. It's undeniable that Douyin, the rising marketing star, would further reimagine the marketing industry, just like what it has done to the entertainment one, so long as companies and brands are aware of both the challenges and the opportunities on Douyin. Nonetheless, there is still many uncertainties involved in marketing on Douyin. As the size and impact of Douyin keeps growing, the way companies should advertise on Douyin may also experience drastic changes.

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