

# Research on the International Marketing Strategy of Tik Tok -- Based on the Analysis of 4P Theory

Yuan Weilin, Mao yue, Sun QI

*Beijing International Studies University, 100000, China*

**ABSTRACT.** *In the context of globalization, more and more industries have gone abroad and opened overseas markets. And the internet companies are no exception. This article takes the overseas marketing strategy of the app “Tik Tok” owned by ByteDance Company as the research object. Three issues were discussed in detail: First, the marketing environment of Tik Tok in overseas markets was analyzed, and the opportunities and challenges it faced were pointed out. Secondly, the 4P theory of the product, price, channel and promotion strategies of Tik Tok was used to focus on the analysis. Finally, based on the analysis results, this research puts forward measures and suggestions that “Tik Tok” can be improved in international marketing. Since the launch of the overseas version of Tik Tok, Tik Tok has accumulated more than 500 million active users, surpassing the total population of the United States, Mexico and Canada, covering 150 countries and regions, 75 languages, becoming one of the world's most downloaded applications. The huge success of Tik Tok in the international market is inseparable from the product itself and advantages and the company's grasp of the market, but in the process of rapid growth, it has also experienced many challenges and doubts. It was banned in the Indonesian and Indian markets, and then encountered regulatory pressure from the United States. Behind the seemingly smooth sailing, it is actually undercurrent. This article will analyze Tik Tok's marketing strategy and challenges from the perspective of international marketing to provide ideas for future development of domestic Internet companies overseas.*

**KEYWORDS:** *Tik tok, International marketing, 4p theory*

## 1. Literature Review

### **1.1 Research on the Marketing Strategies of Domestic Internet Companies in the International Market-Alibaba Cloud as an Example**

With the further opening up of Chinese economy, Chinese Internet industry has also entered a larger market. In October 2018, Alibaba Cloud opened its service in a data center in the UK region, marking Alibaba Cloud as the first China to compete

with world cloud computing giants such as Amazon AWS, Microsoft Azure and Google in overseas markets enterprise.

As early as 2017, Alibaba Cloud has become a well-deserved leader in China's cloud computing field with a 47.6% domestic market share, which has laid a solid foundation for Alibaba Cloud to enter the international market. For many companies in the Internet industry, if they want to expand their markets overseas, the first thing they need to do is to build offices, build their computer rooms and look for businesses in overseas. Alibaba Cloud's globalization has provided tremendous convenience for many companies that want to enter the international market. They can develop domestically and open overseas markets through a unified cloud computing account and resource network. This is undoubtedly good news for China's entire Internet industry. The domestic Internet companies have already been helped by Alibaba Cloud and have achieved good results in the international market. Overseas companies such as Philips, Schneider, Shiseido, Nestlé and Singapore Post have also begun to apply Alibaba Cloud's flying technology. Therefore, Alibaba Cloud occupies an extremely important position in the world. It is not only a giant in the Chinese Internet field, but also an important partner for domestic enterprises to develop overseas markets. The international market has great trust in Alibaba Cloud, and Alibaba Cloud will live up to expectations.

Even so, Alibaba Cloud is facing huge competitive pressures in the international market, and AWS, Azure, and Google Cloud, three world-leading cloud computing providers, are also desperately seizing the market. In recent years, Alibaba Cloud has caught up with the rapid development of Chinese economy and has achieved a rapid expansion. In the future, Alibaba Cloud will go overseas with a firmer pace and lead the Chinese economy into a broader space.

### ***1.2 Marketing Strategy Research of International Internet Brands-Taking Social Media as an Example***

Social media occupies a unique position in the Internet industry. Compared with various websites, social media has its own attributes of international development. In recent years, the competition and market expansion of social media have also continuously crossed national boundaries, and a number of international social media with global influence have emerged. As of 2018, 4.021 billion of the world's 7.5 billion people were Internet users, and the number of social media users reached 3.196 billion. On average, global social media users are still growing at a rate of about 13%.

As far as the most downloaded social media apps in the world are concerned, the US social media products have basically dominated the world. WhatsApp, Messenger, Facebook, Instagram and YouTube are the top 5 downloaded APPs in 98 countries and regions in the world. Among the 98 countries and regions in the world, there are 91 countries and regions have the most downloaded social media apps which are American products. Although most countries and regions in the world have their own social platforms, they all face competition from

internationalized social platforms. The competitors are mainly from the United States, and mostly American win. It can be seen that whether it is in the original publishing of social media such as forums, or in social media types such as resource sharing, collaborative editing, and business, American social media has a very high share of the international market, leading the global social Media development.

In addition, social media in other countries also has a great influence internationally. Russia 's search site Yandex.ru and social networking sites such as Vk.com, Ok.ru, Mail.ru, in addition to occupying the top 10 visits in Russia, also have a very high usage rate in many countries in the former Soviet Union . Line is an instant messaging software launched by NHN Japan, a Japanese subsidiary of the Korean Internet group NHN, and was only officially launched on the market in June 2011. At present, Line has more than 400 million registered users worldwide, with the highest downloads in Japan and the top 3 downloads in Thailand. Canadian social media APP Hago is not only popular in Canada, but also the second most downloaded app in Vietnam and Indonesia.

The most fundamental reason for the great development of social media lies in the production of content by users. Therefore, social media should think about how to stimulate the output of high-quality content when entering the international market, and use the social media as a local culture. The international market for social media is very broad, and companies need to identify their own strategies, and there will be a lot of room for development in the future.

### ***1.3 Research on Tik Tok's Marketing Strategy in Overseas Markets***

Since its inception, Tik Tok has made remarkable achievements in the field of mobile socialization in the international market. In October 2019, Tik Tok became the highest monthly download and installation application in the United States, surpassing Facebook and other software.

Currently "artificial intelligence + social" is the mainstream of the development of social platforms. Tik Tok's success in the social media field is based on the in-depth development of artificial intelligence technology in this field. Tik Tok relies on its unique algorithm, and the recommended content greatly captures the user's attention. Tik Tok will judge the user's interests based on whether the user has watched the video in a complete manner, like, comment, share, forward, follow the video producer, etc., and gradually gather users with the same interests and hobbies to gain user loyalty . At the same time, recommendations will be superimposed through the content traffic pool. For videos that have received favorable reviews in a small area, the platform will refer to some data such as likes, comments, and reposts to determine whether the video is likely to become popular. If the feedback is better after recommendation, the platform will continue to push to more and more users. For users who use Tik Tok for filming, Tik Tok's powerful editing functions and rich music library provide users with a full range of convenient services, allowing users to be directors of their own lives, bringing them great satisfaction.

Of course, as a rising star, Tik Tok also faces some challenges in the international market. These challenges are mainly reflected in the following aspects.

First, the cultural and institutional distinctions of different countries. In different cultural backgrounds, religious beliefs, laws, customs, etc. are also different. If you only pay attention to user development and market expansion, without deeply understanding the local cultural connotation, it will bring difficulties to your own development.

Second, fierce competition with other social media in the international market. In November 2018, Facebook launched its own short video application Lasso, which has similar functions to Tik Tok. Although Lasso's current downloads and installations are not comparable to Tik Tok, it is still very difficult for Tik Tok to shake the industry giants due to its large user base. While Tik Tok entered overseas, domestic industry giant Tencent also quickly expanded overseas and took a high profile stake in companies such as social media application software Snap. Therefore, Tik Tok and its parent company ByteDance will have a long way to go overseas.

Third, the overseas profit model is not mature enough. At present, Tik Tok's overseas advertising business is not yet profitable, and its main source of income is in-app purchases. Mobile application data company Sensor Tower store intelligence data shows that the estimated revenue of the Tik Tok app is only \$ 75 million.

In the future, if Tik Tok wants to gain a long-term foothold in the international market, it needs to concentrate on making smarter strategic deployments. It can start from protecting user data security, cultivating local culture, and expanding in multiple fields. In this way, Tik Tok will gain the trust of users, be recognized by the local mainstream culture, and achieve income diversification.

Tik Tok's rapid growth has enabled the world to see the broad prospects of China's Internet industry. With the saturation of the Chinese market, going to the world is the goal of Chinese companies. Although accompanied by doubts and challenges, Tik Tok's relatively successful development model provides lessons for other Chinese social media and technology companies seeking internationalization.

## **2. Analysis of Tik Tok's Overseas Marketing Environment**

### ***2.1 Macro Environment Analysis of Tik Tok's Overseas Marketing***

Enterprise marketing is always carried out in a certain environment, and Tik Tok is no exception. The marketing environment is divided into macro environment and micro-environment.

The macro environment mainly includes population environment, political and legal environment, economic environment, social and cultural environment, natural environment, and science and technology environment. The macro environment will not only bring opportunities to the enterprise, but also may cause the enterprise to

encounter difficulties, so it has an influence that cannot be ignored in the strategic decision of the enterprise. If an enterprise wants to grow bigger and stronger, it must have a keen observation of the macro environment and constantly adapt to changes in the macro environment. This article analyzes the macro environment of “Tik Tok” in overseas markets.

#### (1) Population environment

The target user group of Tik Tok is mostly targeted at urban young people under the age of 35 who have entertainment needs or express needs. The 2019 digital report jointly released by We Are Social and Hootsuite shows that the global population is 7.676 billion, of which 5.11 billion are mobile phone users, 4.39 billion are netizens, and 3.48 billion are active on social media, which more than half of the global population. Such a huge base of Internet users not only lays the foundation for entertainment and expression, but also prepares users for the promotion and development of Tik Tok. The report also shows that global Internet users spend an average of 6 hours and 42 minutes a day on the Internet, which means people spend 1/4 of their lives online. Longer online time also provides people with a time cost of discovering more online entertainment models. Once network users discover an entertainment short video social platform like Tik Tok, watching and producing relevant content to meet their entertainment and expression needs will occupy Netizens' attitude towards this software, Tik Tok can be promoted and used to a greater extent. At the same time, as the number of netizens continues to increase, entertainment and expression needs will not only be limited to urban young people, so short video content will be more abundant and diverse, and the audience will be more extensive.

#### (2) Political and legal environment

The political and legal environment refers to the political situation in which the enterprise is located and various regulations, decrees and regulations promulgated by the state and localities. A stable political structure and a sound legal system are not only conducive to the development of a country's social order, economic development level, and residents' income, but are also conducive to the orderly and standardized development of the market economy, and are conducive to creating a loose externality for enterprises surroundings.

In foreign countries, the rapid development of the Internet also provides a good marketing environment and policy support for short video platforms. There have been more successful social platforms abroad, such as Instagram, snapchat, etc., but the emergence of TikTok symbolizes the development of a new online social model.

#### (3) Technical environment

First of all, the development of the Internet worldwide is the technical prerequisite for Tik Tok to be promoted. Secondly, the video sharing application Tik Tok is undoubtedly the lucky one for short video marketing. “Platforms like Tik Tok have started to become a channel for celebrities to develop their own brands.” Said Melanie Cohn, senior manager of brand participation at Dunkin' Brands. It is understood that Dunkin' is not the only brand focusing on this emerging platform. In

the development of overseas short video platforms, the competition from Instagram, Twitter and Snapchat will never be avoided. As a product from China, Tik Tok will also withstand more competitive pressures in an unfamiliar environment. In addition to relying on the capital base provided by ByteDance, the reason why Tik Tok can obtain such a strong competitiveness in a short period of time against the above platform is its unique algorithm. The big data algorithm can accurately locate the types of videos that users are interested in, and perform one-to-one screening and pushing to meet the user's interests to the greatest extent.

#### (4) Economic environment

In an environment dominated by a liberal economy, consumers' willingness to purchase Internet products has increased. According to the data released by SensorTower on January 17, 2020, Tik Tok, a subsidiary of ByteDance, reached US \$ 176.9 billion in global revenue in 2019, accounting for 71% of its historical total revenue of US \$ 247.6 billion. It is more than 5 times that of 2018. SensorTower said that in the fourth quarter of 2019 alone, Tik Tok's revenue reached US \$ 88.5 million. It is worth noting that in the development process, Tik Tok not only encountered domestic Internet giant capital competition, but also encountered positive challenges from Facebook series products, and the competitive environment tended to be fierce.

In 2018, the global GDP totaled US \$ 85.79 trillion, a nominal increase of about 6.1%, and an actual increase of 3.7%. Economic development has improved the living standards of people in most countries and regions of the world, so they have the energy to pay attention to more entertainment and spiritual needs. Tik Tok just provides a platform for people's needs.

The China Internet Economics Research Institute, School of Economics, and Social Science Literature Publishing House of Central University of Finance and Economics jointly released the "Internet Economy Blue Book: China Internet Economic Development Report (2018)". The Blue Book stated that in 2017, the Internet Economy Development Index of major countries comprehensively considered the performance, scale, potential, penetration and support of the Internet economy of 25 countries (main trade partners in China). Compared with 2016, in 2017, the scale of the Internet economy market in major countries in the world continued to grow, and the growth rate slowed down. The impact (penetration) of the Internet economy on the economic and social development of countries continued to deepen, and the environment for countries to support the development of the Internet economy gradually improved. In 2017, the United States, China, the United Kingdom, Germany, and Switzerland ranked among the top five in the global Internet economic development index; the development potential of countries such as Mexico, Brazil, and Russia should not be underestimated. The Blue Book also pointed out that in 2017, China ranked first in the world in the Internet Economic Scale Index. The Blue Book Task Force established the Internet Economic Scale Index to measure the total scale of Internet economic development in various countries and their proportion in the overall population of 25 countries. The Internet

economy of all countries has relatively good development potential, which also provides a good economic environment for the development of Tik Tok.

#### (5) Social and cultural environment

Social culture mainly refers to the synthesis of national characteristics, values, lifestyles, customs, religious beliefs, ethics, education levels, languages, etc. of a country or region. It will not only affect the marketing of enterprises, but also have a subtle influence on consumer behavior.

In today's society, showing and relaxing oneself is a need that everyone tries to satisfy. In an era of rapid economic development and a fast pace of life, the pressure of work and life is often eager to be relieved. The development of the Internet provides good conditions for this demand. Based on this social phenomenon, Tik Tok's short video social networking function can effectively solve the needs of most people for entertainment and relaxation.

The above analysis shows that the huge number of Internet users in the world, a relatively stable political and economic environment, and an open attitude to actively integrate into the cultural changes of the international community are all favorable macro environments or external environments for Tik Tok's overseas marketing.

### ***2.2 Environment Analysis of Tik Tok Marketing***

The micro-marketing environment refers to factors that are closely related to the enterprises and that the business can influence or control to some extent, including customers, competitors, suppliers, distributors, and the public. For Tik Tok, the main focus is on users (customers) and competitors.

#### (1) Users (customers)

The number of users is the basis of an app. The creation of an app is to bring convenience to users and customers on the premise of the Internet, and to meet the relevant needs of users. For Tik Tok, based on the success of short video interaction and data algorithm in China, it has entered the foreign market. First, there are a lot of potential customers in the foreign market, and the huge Internet user base provides a broad market for Tik Tok. Secondly, foreign users also have a lot of novel ideas, and their demand for entertainment and expression is very strong. However, foreign social platform software is relatively complex in function and short video is not developed enough, which has the advantage of taking the lead.

As a result, Tik Tok entered the overseas market, and the novel and effective short video social contact brought a new experience to overseas users. It was more efficient in terms of entertainment and self-display, and it also brought greater popularity to itself on the basis of meeting users' needs. With the entry of foreign celebrities, Tik Tok's promotion is more mature and smooth, winning recognition from overseas users and the market.

#### (2) Competitors

Competitors are both opportunities and challenges for an app. The emergence of competitors can stimulate the app to better improve itself in terms of technology and functions to highlight its own characteristics and advantages. Similarly, it is likely to be replaced or beaten by competitors.

Tik Tok has few competitors in the short video market abroad, but other kinds of social software can pose a threat. The social software twitter, Instagram and snapchat, and the social software Facebook are not only highly recognized and used, but also equipped with short video social function. Although the short video function is not perfect compared with Tik Tok, it started earlier than Tik Tok in terms of social function.

*Table 1 Classification of Tik Tok's Overseas Competitors*

Types	Names
Blog	Twitter
Picture Sharing	Snapchat, Instagram
Chat	Facebook

(Data sources:www.Baidu.com)

### 3. Analysis Based on 4ps

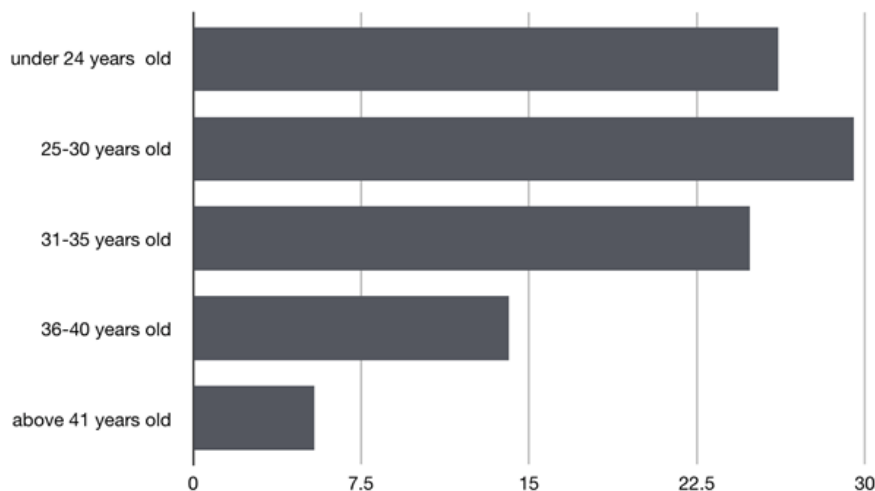
#### 3.1 Tik Tok Product Strategy Analysis

Product is the most basic element of marketing, all the marketing activities need to be carried out around the product. Without good products, enterprises cannot meet the needs of consumers, and thus cannot make profits.

##### (1) Product Design Conforms to the Positioning of Youth.

Tik Tok is positioned as a “music video community for young people”. With music as the breakthrough point, it makes an App for young people to express themselves with short videos, share themselves and immerse themselves in it. Since Tik Tok's target customers are overseas young people (19-35 years old), in terms of product design and product content, Tik Tok keeps meeting the needs of target users. Tik Tok icon Settings, application colors, content, etc., are set for young people's preferences, coupled with the interpersonal trigger of the same type of users around, so Tik Tok has gradually become a symbol of fashion and popularity in the hearts of young users. Secondly, in terms of product design, Tik Tok is simple and easy to use, without miscellaneous use process, so that new users can also grasp the use of the software as soon as possible, so as to leave a good first impression for users.





*Fig.1 Statistical Graph of Tik Tok Users' Age Proportion (Source: Wwww.Jianshu.Com)*

#### (2) Intelligent algorithm recommendation

At present, “artificial intelligence + social communication” is the mainstream of social platform development. Open Tik Tok, first there is the recommended pages, platform will be popular trend according to user registration country and region, the information such as user preferences and behavior to determine the user interest, and gradually put the users together with the same interests and hobbies, to train users on the platform of viscous and loyalty. In addition, users can also automatically recommend the content to choose like or not interested in, so as to enhance the accuracy of the recommendation, to ensure that the content on Tik Tok meets the needs of users.

#### (3) Immersive video experience system

Tik Tok pioneered immersive video experience system, through the full screen mode and vertical screen mode, let the user immersion, vertical screen mode is more conform to the normal habit of hand-held cell phones, full screen mode, the user does not have to close small window and select the next video, fingers slide gently only can refresh the next video, which has strong continuity, more convenient for the user's operation.

#### (4) Innovative short video mode

Tik Tok innovatively develops the short video mode and focuses on content production. Tik Tok video content is mainly 15 seconds, in a short time through the story, interesting, impact of the plot concentrated presentation, improve user interest,

to meet the entertainment needs of users. And through the way of online celebrities at home and abroad or Tik Tok official challenge, estimated users to conduct imitative video activity shooting. Through the top-down mode, guide users to imitate and expand the topic effect, so as to enhance the head operation and user stickiness.

### ***3.2 Tik Tok Price Strategy Analysis***

The pricing of products not only affects the purchase intention of customers, but also directly determines the profit level of enterprises. In terms of the pricing of Tik Tok, it is expounded from the aspects of app pricing and advertising revenue

#### **(1) App pricing**

In terms of App pricing, individual users can download and use Tik Tok for free, and enterprise users need to pay. Tik Tok is free to download and can be used without investment, lowering the barrier to use and further increasing using numbers.

#### **(2) advertising revenue**

Under the premise that a large number of active individual users swarm into Tik Tok platform, Tik Tok gathers a huge amount of user traffic, gradually improves the influence of the platform, and then attracts other enterprises to place advertisements on Tik Tok platform, so as to obtain huge profits.

### ***3.3 Tik Tok Place Strategy Analysis***

In marketing strategy, the place not only refers to the specific place where the product is transferred to consumers, but also includes a series of links from production to retail. In terms of places, Tik Tok adopts the place strategy of combining online and offline channels. Shows the diversification expansion trend.

#### **(1) Online channels**

Online, on the one hand, Tik Tok is actively promoting in the app store. On the other hand, since the launch of Tik Tok, Tik Tok successfully acquired music. ly in November 2017 and guided users of music. ly to use Tic Tok, gradually completed the user migration, accumulated the number of users, and expanded the scope of international influence. Moreover, it actively reached online cooperation with overseas platforms such as Youtube, Twitter and Facebook, and supported Tik Tok to make videos and share them directly to the above social networking sites, so as to promote them. Such online campaigns have had considerable success.

#### **(2) Offline channels**

In the offline, Tik Tok actively distribute marketing ads to traffic hubs, billboards and so on. In addition, we invited network celebrities and star teams to enter Tik Tok platform, which not only created rich contents for the platform, but

also attracted more users to join. In addition, word of mouth and social communication among users are also crucial promotion channels for Tik Tok.

### ***3.4 Tik Tok Promote Strategy Analysis***

In order to successfully make the product recognized by consumers and realize the value of the product, a series of promotional activities are needed to stimulate customers' desire to buy their product.

#### (1) the effect of celebrities

In terms of marketing methods, as mentioned above, Tik Tok cooperates with a large number of apps, social network platforms and star teams. According to Mayao (2019), 3.3 percent of Tik Tok users have more than 15 million fans, and 2.7 percent of pop stars. Star effect attracts many fans of popular stars to download and use Tik Tok to support their favorite stars.

#### (2) brand cooperation

Since Tik Tok's main user group is young people, many offline brands have also entered into cooperation with it. In 2017, Guess became the first American brand to partner with TikTok, promoting its merchandise on TikTok through the #InMyDenim campaign. Other brands, including Coca-Cola, universal pictures, SONY pictures and Google, have entered into cooperation with TikTok to improve its brand awareness. For TikTok, the cooperation of major brands is the recognition of the platform, and the brand cooperation can increase the number of users and improve user loyalty. In addition, Tik Tok also pays for advertising on popular TV shows and online platforms to further enhance its popularity.

#### (3) advertising

Like any social media platform, advertising can help you attract a large number of users on that platform. TikTok can also provide accurate positioning based on intelligent algorithm recommendations, so it can ensure that its ads attract the precise users who are interested in the product.

Currently TikTok offers four different types of advertising, including:

**Infeed Native Content:** this type of ads is similar to Snapchat or Instagram story ads and supports a variety of features such as website clicks or app downloads.

**Brand Takeovers (AD displayed when the user opens the App) :** this allows the Brand to place an AD on the TikTok home page. They can create images, gifs, and videos with embedded links to landing page or theme label challenges.

**Tag challenges:** instead of trying to increase the popularity of tag challenges yourself, you can use paid promotion tags to increase engagement.

**Branded Lenses:** Branded filters are similar to the Snapchat 2D and 3D filters for faces and photos.

## 5. Inspiration and Challenge of Tik Tok's Overseas Marketing

In recent years, Chinese social networking platform has developed rapidly and has a high degree of national attention. The success of Tik Tok in the international market has brought new ideas and enlightenment to the Chinese social networking platform:

Clear user groups and product positioning;

Increase product research and development efforts;

Actively respond to localization strategies.

The development process of Tik Tok has not been smooth, and the relatively unfamiliar international market has brought no small challenges to the promotion of Tik Tok:

Different countries have different cultures and systems, so the company must have a deep understanding of the local culture;

Competition with other local social platforms in the international market is fierce;

Profitability in overseas markets is at a stage with a long way to go

The rapid rise of Tik Tok has given Chinese Internet companies an important position in the international market, while also facilitating the “going global” strategy of other Chinese industries. In the future development, Tik Tok should continue to pay attention to the user's experience and the output of high-quality content, attach importance to the user's information security and the local political, religious, legal and cultural environment, and explore the appropriate profit model to improve the economic benefits of the enterprise. The explosion of Tik Tok in overseas markets has provided valuable experience for Chinese Internet enterprises and even other industries in China. It will be a big trend for Chinese enterprises to go abroad in the future.

## References

- [1] Zheng Rong(2020). International road of jitter international tiktok and problems facing overseas [J]. 2020,11 research guide, vol.11, no.2, pp.196-197.
- [2] Zhu Chengyan,Xu Xiaolin, Zhang Wei,Chen Jianmin(2019). Evans Richard. How Health Communication via Tik Tok Makes a Difference: A Content Analysis of Tik Tok Accounts Run by Chinese Provincial Health Committees[J]. Pubmed, vol.17, no.01, pp.01-21
- [3] Wei Huichao(2019). Tiktok APP short video soft advertising research [D]. Beijing Institute of Graphic Communication.
- [4] Wang Runjue, Wang tiktok(2019). The internationalization exploration and sustainable development of Chinese social media -- Talking about [J].s external communication from the overseas version of Tik Tok, vol.23no.10, pp. 64-67

- [5] Feng Li Jin(2018). Tiktok and similarities and differences in user self presentation in Tik Tok and its influencing factors [J]. new media research, vol.4, no.11, pp. 113-114.
- [6] Li Jin, Zou Yu(2019). The study of the tiktok short video content in the new media environment [J]. news dissemination, vol.15, no.7, pp.23-31.
- [7] Shan Wensheng, Li Lei(2015). Research on short video marketing strategy and value in mobile Internet era [J]. Journal of Changsha University, vol.11, no.2, pp.28-36.