# Streaming in TikTok - as an innovative development

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1 correspondence course Advertising

#### Introduction

Douyin is a short-video platform which allows users to both produce and watch 50 second videos with numerous effect, music background, filters and other tools to be as creative as you want.

Douyin has achieved amazing growth numbers for the past years since it was first launched.



## History of TikTok (Douyin)

In 2016, Zhang Yiming, a young Chinese businessman and owner of ByteDance, launched a new Douyin app for music video exchange, a hybrid of Instagram and karaoke. Originally, the programme was intended for Chinese people only. However, the application was gaining popularity and later a Douyin analogue for an international audience, TikTok, was developed.



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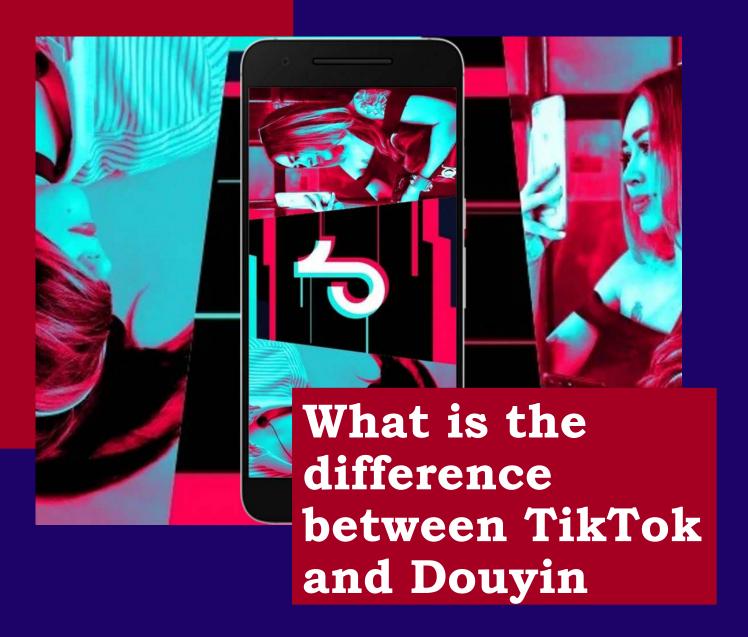
History of TikTok (Douyin)

In August 2018, TikTok absorbed its main competitor, musical.ly. At that time, international users of YouTube and Twitter were flooded with a wave of advertising for the new application, bringing the TikTok audience to more than 800 million users in 150 countries by the end of 2018. Bloomberg estimated TikTok at \$75 billion and called it the world's most expensive startup.



## What is the difference between TikTok and Douyin

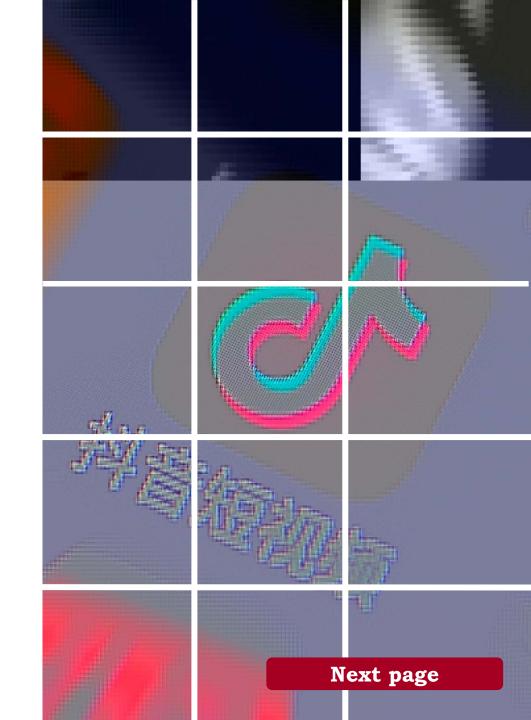
TikTok and Douyin two applications from ByteDance are the same and different at the same time. The entire difference between the applications lies in geography. Due to Chinese censorship, users outside China cannot make full use of the social network. Therefore, the developers have created an additional application called TikTok, which is popular outside China.



Depending on the mobile app shop used, users can download TikTok or Douyin. TikTok is available in Google Play and AppStore, and Douyin is available in Chinese application shops. But the main difference between social networks is not at all in geography, although it is caused by geography, different apps have different content and absolutely different internet selections. Blogger profiles popular in the Chinese Internet space have almost no subscribers outside China and vice versa, accounts popular in Europe, America or the CIS have no subscribers in the Celestial Empire.

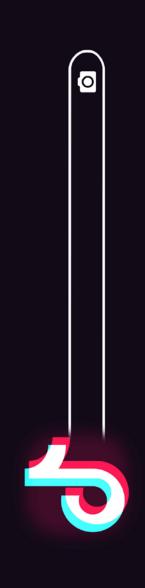
## Advancement in Douyin

Initially there was no advertising in the apps, but in 2019 the brand from France tried for the first time to promote its product with TikTok short videos. Today, more and more brands and companies are interested in promoting their products in Douyin and TikTok. The easiest and cheapest way to promote in applications is to register a profile, create content and build an audience. The difficulty is that in addition to advertising the product, it is important to interest the audience with short videos. This is why brands often resort to other methods of advertising in Douyin / TikTok.



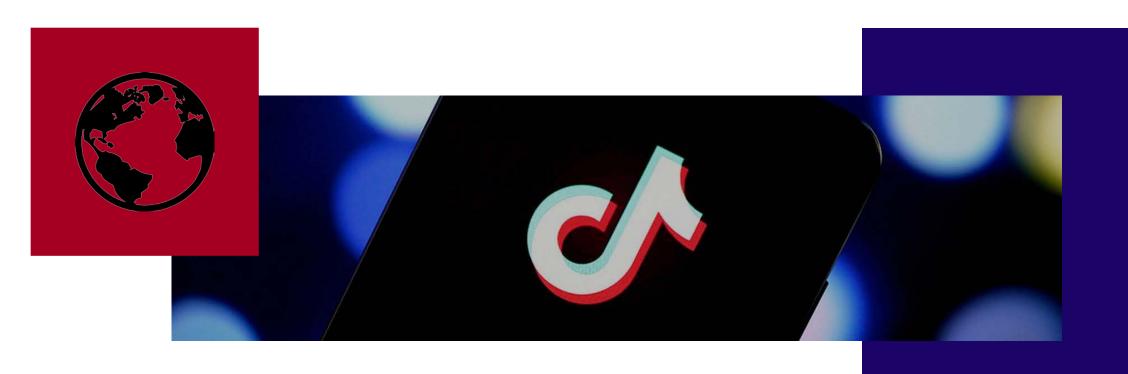
## Advancement in Douyin

Promotion through the tools of the profile advertising room. It is possible to pay for promotion through targeting, or it is possible to pay for pre-roll (advertising video when opening an application), in-feed ad (advertising video embedded in the tape), hashtag mutations (viral distribution of brand mentions through the competitive effect), branded filters (Instagram type).



Shoppable Video. This is a new format for the TikTok and Douyin applications, and its essence is the ability to place clickable videos with links to online shops of brands. A similar format for advertising is available in Instagram -

Shopping Tags. ¥ 49 Recommend by Author 直径透離 和馬 超点



#### **Best Douyin live-streaming**

Big brands from many industries including Audi, Michael Kors, OPPO, and Pizza Hut have already run campaigns on Douyin to reach China's Gen Z consumers and smaller brands are experimenting with it as well.

A top Douyin
Livestreaming
KOL Grandma
Wang in High
Heels

#### Account stats:

Top 0.01% KOL on Douyin

Average video views: 26 million

Douyin follower: 14 million

Regular campaign CPM (cost per 1,000 impressions): 19.5 RMB

Video engagement rate: 4.09%

Douyin ID: wnn111111

Latest live-streaming sales: 5.4 million RMB in 7.5 hours

Charge for Douyin video ads with e-commerce link: 350k RMB/video

Charge for Douyin live streaming: 100k RMB + 30% commission

85% of her followers are women, and 31% of the followers are below 18 years old

A typical video starts with Grandma Wang telling a story. This video got 2.6 million likes on Douyin.



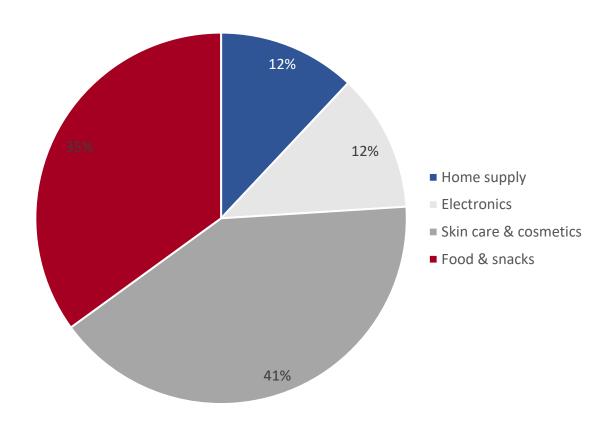
#### Live-streaming analysis of Grandma Wang

The live-stream happened in April 2020. Wang sold 5.4 million RMB from a total of 18 products.

Around 40% of the products Grandma Wang promoted were in the skincare & cosmetics categories. 35% of products were snacks and packaged food.

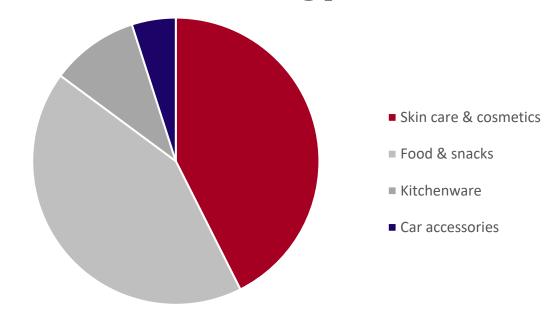
The top-selling product was a 50 RMB facial mask and a pack of 98 RMB bird nests. Both products generated around 650k RMB of live-streaming sales. A neck massage machine priced at 499 RMB only recorded 209k RMB in sales.

#### Grandma Wang's Live-streaming product selection



## A Douyin Livestreaming with Top Celebrity Li Xiaolu Account stats:

#### Li Xiaolu's Live -streaming product selection



- One of the top 3 celebrities on Douyin
- O Douyin followers: 108 million
- Latest live-streaming sales: 43.5 million RMB in 4.5 hours
- Live-streaming charges: 100k +30%/25% commission
- O Douyin ID: yanyuanlixiaolu

Li Xiaolu is a famous actress in movies and TV shows. She hosted her 1st Douyin live-streaming and successfully sold 43.5 million RMB worth of products. The average product price was 296 RMB.



### Michael Kors

The first luxury brand to work on Douyin, initiated the hashtag challenge (a Douyin feature) led by 3 fashion KOLs. This "city catwalk" campaign engaged users creating their own catwalk with Michael Kors products, which eventually harvested 30,000 postings and 5 million views.

## 2

#### Haidilao Hot Pot

#海底捞 (Haidilao), a popular hot pot chain, is famous for its user-oriented, customized services. Haidilao creates engagement by providing culinary tools for consumers to create DIY dishes and post them on Douyin. As a result, within less than a year, Haidilao has generated 1.8 billion views with organic content that has required zero advertising investment.

### 3 Adidas Neo

This brand started its official Douyin channel in January 2018, releasing almost daily original videos. The brand was followed by 1.2 million users within two months.

#### Conclusion

WeChat started as a payment method to buy groceries, and users are now buying cars through influencers. In the same way, Douyin is likely to become an increasingly attractive sales channel as time goes by.

It is however still early stage: brands can leverage very large influencers in order to promote relatively inexpensive items. The heavy requirement for discounts on Douyin might also cheapen brands in the long run.

Customers don't seem very interested in buying from brand accounts during a live-streaming. Focusing too much on Douyin live-streaming is a risky gamble but building Douyin account is a must for the long-run.



