

Research on the Current Situation of Live Streaming - Taking DouYin as an Example

Yufan Wang^{1,a,*}

¹*Pennsylvania State University- Abington, 1600 Woodland Rd, Abington, PA 19001, US*

a. yxw5632@psu.edu

**corresponding author*

Abstract: According to the study backdrop for this work, the formal debut of Douyin on September 20, 2016, means that it is accessible to users of all ages. The emergence of Douyin instantly drew a sizable number of users because, in recent years, as the economy has grown, people's entertainment lives have been richer. influx. The live broadcast feature and the shopping cart were successfully opened by Douyin in March 2018. Live streaming advanced when Douyin introduced the red man product window in May 2018. The history of Douyin's development and its effects as the primary platform for live streaming will be examined in this article. This article will conduct study using data comparison, yearly report comparison, and particular head anchor situations. The primary information includes the transaction trend graph, traffic source, order source, GMV (total cumulative transaction value in the live broadcast room), GPM (thousand views), UV (gross transaction value per view), CUP (customer unit price) (gross transaction value per number of transactions), percentage of transaction fans, and per capita viewing time (stay), among other things. This article analyzes the market structure and environment of live broadcast delivery, as well as the advantages and disadvantages of development for live broadcast delivery from the consumer's point of view. It also analyzes the viability of personal and business development. Finally, it offers some development recommendations.

The findings of the study demonstrate that Douyin has benefited from the present e-commerce live broadcast delivery by attracting a sizable flood of users due to its unique qualities. The popularity of Douyin is not a coincidence, yet it does a natural outcome of the ongoing shift in societal tendencies.

Keywords: Bytedance, Douyin, live streaming, KOL, live streaming

1. Introduction

Since its creation in 2016, Douyin has experienced tremendous growth, thanks in large part to the popularity of live-streaming shopping. Nowadays, most people have Douyin on their phones; it is no longer simply for fun but has become part of daily life. Until the new crown epidemic's effects in 2020, a number of sectors in the nation and even the world have taken virtually fatal hits. Only the internet sector has seen such rapid growth throughout this time, and Douyin has reaped the benefits. Because of its high traffic, Yiyue has grown to be one of the most well-liked short video sites in China. This essay examines how, from the perspectives of social backdrop, rise history, and commercial strategy, Douyin accomplished rapid development at this unique moment. This article

examines the factors that led to the growth of Douyin live broadcast throughout the pandemic using data from the yearly reports for the years 2019 through 2021. To examine the factors that contributed to the success of Douyin live shopping, Luo Yonghao will be used as an example. This page gives readers the fastest opportunity to comprehend the history of development, current state of development, live broadcast composition, and future possibilities of Douyin live broadcast.

2. Development of Douyin

At least 60% of ByteDance's revenue comes from the program that is most known, Douyin [1]. A leader and inventor in the realm of short videos is Douyin. On September 20, 2016, the short video community platform Douyin was introduced to users. Users may record and share brief music videos, create original content, broadcast live video, and more. At the same time, ByteDance also released Douyin, an international variation of Douyin that has gained popularity abroad and is primarily targeted at consumers in Europe, the United States, Japan, South Korea, and Southeast Asia. The rise of Douyin has altered not just how individuals interact socially but also how they purchase online. This paper used the 2020 and 2021 annual Development reports of Douyin after the pandemic as a reference standard to analyze the causes and forms of Douyin's development. Based on google trends, Douyin (TikTok) has been on the rise since 2019, and users' search hotspots have penetrated into all aspects of life, mainly live broadcasts. By the end of December 2020, there were 71.4% more Douyin certified media accounts than there were at the end of 2019, and the majority of these accounts were news short videos. There are about equal numbers of male and female Douyin fans—52% and 48%, respectively [2]. At the start of the pandemic in 2020, Douyin Video concentrated its camera on frontline medical personnel and volunteers and produced several highly regarded films. There were 26 billion views of stuff linked to epidemy and 18 hot, positive videos with over 100 million views.

Since 2021, Douyin has concentrated on local e-commerce businesses. Sales increased by 667 percent year over year. In order to accommodate customers' varied expectations for high-quality shopping, the platform continues to increase its support for domestic companies. Domestic brands may quickly flourish thanks to the platform's assistance. The research claims that domestic items held up to 89% of the market share on the platform and that year over year sales volume growth was 667%. Domestic product sales in the apparel, footwear, cosmetics, food and beverage, home cleaning, and retail sectors increased significantly by 411%, 696%, 547%, and 912%, respectively [3]. Live video from Douyin is also a crucial component of product upgrades in addition to ongoing product improvements. It's an important link for the rapid development of domestic cosmetics.

3. The Performance of Live Streaming on Douyin

The live broadcast feature and the shopping cart were successfully opened by Douyin in March 2018. Live streaming advanced when Douyin introduced the red man product window in May 2018. The Douyin live broadcast will get more powerful every day by 2022. There are four components to broadcasting and delivery: goods, customers, anchors and live broadcast platforms, and trade platforms. The live broadcast is carried out by the anchor to demonstrate and explain the product, the consumer places an order on the spot, the order is passed to the trading platform, and the trading platform completes the packaging and distribution. The characteristics of live broadcasting on Douyin platform can be analyzed from two aspects: content and dissemination.

3.1. The Content

The live streaming Plus mode encourages the platform's content and product innovation as well as the platform's penetration into all segments of the industry chain. As user involvement rises, other businesses get new development opportunities from its strong communication capabilities and traits

of immediacy, interactivity, and transparency. Although after signing contracts with network broadcast platforms anchors are no different from other behind-the-scenes staff, once they draw an audience, their appearance and demeanor will become highly regarded items. Entertainment can make the audience feel happy, relax, happy shopping. Douyin Live's unique sales method allows users to have visual impact.

3.2. Communication

Wide coverage: Douyin has a large number of users, so it can guarantee the number of people watching the live shopping. Text and video communication alternatives struggle to match the two-way instant interactivity of live broadcasts. No matter how well-known the presenter may be, they will interact with the audience live throughout a network show.

4. Luo Yonghao Case

Using Luo Yonghao as an illustration, his live delivery procedure exemplifies well the traits and effects of Douyin's live delivery. Live broadcasting is an exhilarating experience with high demand, and the major manifestation of the long tail impact of live broadcasting is short video. Additionally, Luo Yonghao's organization has to have a robust operational framework for accounts, fans, and communities, as well as a competent video production process. The live broadcasting conduct of Luo Yonghao's squad cannot be reduced to a single definition any longer; rather, it must be understood as a three-party marketing initiative including the team, Douyin, and companies that sell items.

The first live performance by Luo Yonghao with commodities on Douyin was finished that evening, April 1, 2020. According to the data, the entire live broadcast lasted three hours, over 110 million yuan in total payments were made, and over 48 million people watched the entire thing. On the Douyin platform, Luo Yonghao has established the record for the highest products delivery ever. Since then, Luo Yonghao has begun once-weekly live broadcasting. With his own notoriety, he drew a sizable audience to the live broadcast, and with the lottery, presents, inexpensive spikes, etc., the live broadcast room's popularity grew over time. The live broadcast of Luo Yonghao will last 846 hours in total in 2020, according to statistics made public by Douyin, with a total yearly GMV of 2.7 billion, 142 live broadcasts featuring commodities, and a total of more than 10 million buyers. Live streaming, however, goes beyond just converting physical goods into online purchases since the anchors leverage the super platform, super traffic, and super content to increase product exposure and make product interactions more engaging, effective, and direct. enlist users [4]. What is the specific income of being the head anchor of Douyin? Douyin Live has the following three incomes:

4.1. Sound Waves

Doubi and Yinlang are the two types of virtual currencies available on Douyin. The virtual money that fans use to tip the anchor is called douyin. RMB can be used to pay for it. One RMB may purchase ten Doucoins. Gifts for streamers can be swiped with coins. The anchor's hand is typically between 30 and 55 percent, and Yinlang's revenue from Douyin will be subtracted. At this level, Luo Yonghao ought to be able to achieve 55%. The information shows that in 30 days, Luo Yonghao transmitted 27 live broadcasts and received 2.067 million sound waves. It is 206,000 RMB when converted, and according to the 55% share, it is 113,300 RMB. The revenue for this month indicates that Luo Yonghao can make $11.33 \times 12 = 1.36$ million yuan [5].

4.2. Pit Fee

You must pay money to purchase pits if you want Luo Yonghao to bring products. The pit charge for each item of Luo Yonghao's first live broadcast was 600,000 in the beginning of 2020; when the popularity dipped, the pit fee varied at 200,000. The pit charge and viewership are favorably correlated. When 2.64 million spectators attend, and the pit cost is assumed to be 200,000, the pit charge for 17,000 spectators is about $(20/264)*1.7=1300$ yuan. You may compute its annual pit fee revenue as follows: 200,000 pit fees * 49 pits * 9 games * 12 months = 1.05 billion.

4.3. Delivery Commission

According to the analytics platform, 477 million people watched all 27 of Luo Yonghao's live broadcasts over the course of the previous month [6]. These figures make it obvious how much traffic the Douyin live show generated and how much money it brought in. Why is live shopping only successful for Douyin? The success of Douyin live streaming can be summed up for the following reasons. Short video live broadcast can provide consumers with more intuitive shopping experience and drive young consumer groups to gradually change their consumption habits.

Numerous supportive actions have been taken by Douyin e-commerce. By introducing the Douyin e-commerce ranking list, it has created the e-commerce interest buying scene and organized the list of highlighted items to provide customers more purchasing options. In order to continuously improve its capacity to support domestic brands, Douyin E-commerce has improved the standard system, protected consumers' rights and interests, improved the consumption experience, and taken other steps. As a result, the platform has grown into a significant force in the development of domestic products. Consumers pay attention to the emotional connection with domestic brands. For example, Hongxing Erke and other brands' donation of disaster relief materials triggered a phenomenon topic on the platform and continued to drive brand sales. Platform consumers' confidence in domestic goods is improving, consumers pay attention to the high cost performance of goods, and domestic goods lead the new consumption trend of e-commerce platforms. However, as Douyin live broadcast evolved in recent years, problems progressively surfaced. First off, it is growing more expensive to deliver things to live broadcast because to pit fees, hefty commissions, etc. Second, shoppers are evolving toward greater rationalism. Third, the anchor lacks actual expertise and merely discusses benefits and selling aspects.

5. Conclusion

Douyin's success is due to the fact that it has figured out how to combine and redirect users, traffic, and revenues in the era of traffic. The whole internet sector is really referred to as "traffic." The fundamental tenet of business is that money will follow traffic if there are profit routes and profit channels if there are customers. The yearly report and development timeline of Douyin demonstrate that it is sensitive to current events and has the capacity to detect traffic passwords. Success for Douyin has transformed the social media and online retail industries in China. At first, Douyin was a platform for short videos, but in recent years, Douyin's live broadcast and short video distribution have progressively grown, as have Douyin's e-commerce capabilities, which have improved significantly. The e-commerce strategy used by Douyin right now is just the beginning of commercialization, though. Since short videos are still the main form of entertainment on Douyin, it is still accessible to all audiences. Douyin must constantly extend new concepts in addition to consolidating its current user base if it hopes to continue the live streaming industry's stable expansion. According to the study presented in this article, balancing live broadcast with advertising presents new difficulties for Douyin. Audio's primary source of income is information flow advertising, which generates 50% of ByteDance's income. Information flow advertising has the need to be continuously

swiped, so it must only allow consumers to linger for brief periods of time before switching. The fact that the profit margin is so large is a benefit. tall and enormous, taking up half the headlines. The gross profit margin of the live broadcast advertising company is quite low since it requires consumers to stay for a very long period of time, in contrast to information flow and live broadcast advertising. Douyin's advertising revenue will be significantly reduced if the company ignores information flow and focuses solely on live broadcast. Due to the aforementioned, Douyin has been reluctant to promote live broadcasts, and it is unlikely that anything will change in the near future. The Taobao platform should be your first option if you want to do live broadcasts right now. It is primarily a platform that may provide you with the approach that the brand side favors is the advertising platform with ordered items.

References

- [1] L. Ceci(2022) *Annual revenue generated by ByteDance from 2019 to 2021.*
<https://www.statista.com/statistics/1285540/annual-bytedance-revenue/>
- [2] Lai Lin Thomala(2022.) *Douyin (TikTok) user age distribution in China 2021.*
<https://www.statista.com/statistics/1202727/china-douyin-user-age-distribution/>
- [3] TINGYI CHEN(2020) *NEW WECHAT FEATURES. Douyin Live-streaming Case Studies: ROI and Sales Data.*
- [4] Tracy Qu(2020) *One-hit wonder? Viewership slumps for Luo Yonghao's second live-stream after viral debut.*
<https://www.scmp.com/tech/tech-leaders-and-founders/article/3079603/one-hit-wonder-viewership-slumps-luo-yonghao-second>
- [5] Heather Hao(2020) *Tech company founder taps into e-commerce live streaming, \$15.5 mln sales done in 3 hours.*
<https://news.cgtn.com/news/2020-04-02/Tech-company-founder-taps-into-e-commerce-live-streaming-Pm4Vb2589q/index.html>
- [6] Cheng Yu (2020) *Millions tune in and buy during celebrity livestream.*
<https://www.chinadaily.com.cn/a/202004/02/WS5e85a718a310128217283fb4.html>