

# *Research on Marketing Strategies of Internet Enterprises During COVID-19*

## *—Taking ByteDance as an Example*

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**Abstract:** After the outbreak of COVID-19, a huge number of enterprises have been traumatized. This sudden outbreak has had a huge impact on many industries. The first to bear the brunt is the restaurant industry. Almost devastated by the blow, many of the current suspension of business. The tourism industry is also the same. When all industries are in a downturn, the Internet industry has been able to maintain profit growth. In the Internet industry, the growth rate of ByteDance is particularly prominent. This research focused on the strategies ByteDance used during the epidemic that promoted its markets. The method of this paper is literature reading and analysis. The data is obtained from the internet. It can be concluded that the success of ByteDance was not a coincidence but had been planned for a long time. ByteDance provides us with an idea of the response strategy for companies in the event of an epidemic, and does a good job of showing how to change out of that painful mindset. It brightens the way of the internet industry's future for the coming years.

**Keywords:** marketing strategies, ByteDance, Tik Tok, AI algorithm, UI design

## 1. Introduction

Since 2019, COVID-19 has had a greater impact on the human economy and life. Some internet companies have had more success during COVID-19, such as ByteDance. ByteDance's profits are rising, both in China and the U.S. market. What makes it so successful and how? Therefore, this paper will discuss the marketing strategies and changes Byte Dance has made during this pandemic. The method used for researching this paper is literature reading and analysis, and this paper wants to acknowledge the popularity of Tik Tok among people and how they enjoy it. Thus, it will be able to discuss the prospect of this market and the future development of digital entertainment. The meaning of this essay is to make people aware of the trend of this industry and to discover the potential risks of it.

## 2. The Basic Information of Byte Dance

Byte Dance Ltd. was founded in 2012 and it is one of the first technology companies to apply artificial intelligence to the mobile Internet scene. Its independently developed "Today's Headlines" client has created a new model of news reading by intelligently recommending personalized

information for users through massive information collection, deep data mining and user behavior analysis. Byte Dance has made continuous efforts in the fields of graphics, video, Q&A and pictures, and its product matrix includes various products such as Today's Headlines, Jitterbug, Watermelon Video, Volcano Small Video, TopBuzz, Faceu Xingmeng, Tuwu, and Know Your Car Emperor. "As of July 2019, the total global DAU of Byte Dance's products exceeded 700 million and the total MAU exceeded 1.5 billion. Byte Dance is also actively deploying internationalization, with its products covering more than 150 countries and regions and 75 languages, and ranking at the top of the total list of app stores in more than 40 countries and regions." [1]. It's not hard to find that Byte Dance is involved in a comprehensive range of areas. There is everything from life and entertainment to beauty and trading apps. In addition to the domestic, many foreign regions also have their own markets. The speed of development of the market size of Byte Jump is amazing. As he mentioned, the daily active users of all Byte Dance products have reached a terrifying 700 million, which is about one tenth of the world's total population, indicating that one out of every ten people is using the software developed by Byte Dance.

### **3. The Analysis of the Marketing Strategies of Byte Dance During COVID-19**

#### **3.1. The Technological Advantage of Byte Dance**

In response to the crisis, major brands have been launching their own apps one after another, as they have realized that the offline industry is not desirable during the epidemic. According to the report, after the outbreak of the epidemic, Today's Headline launched the "Fight Pneumonia" channel, and simultaneously provided content and data support for internal Byte Dance products and external third parties on the epidemic. As of December 2020, the "Fight Pneumonia" channel had served 410 million people. During the peak of the epidemic, an average of 80 million users followed the epidemic prevention and control information through Today's Headline every day, with a daily average reading and viewing volume of over 1.05 billion times. [2]. Byte Dance will recommend some current news for users based on the current hot spots, and make sure the report is authentic so that the user can fully acknowledge what is happening right now. During the outbreak of COVID-19, this became considerably significant because due to the policy of the Chinese government, citizens had to be quarantined at home until the local officials ensured that there was no potential risk. Therefore, the only way for people to learn about current news is to go online. The user will choose either the one that has the most accurate report of news or the one that has the most aesthetic UI interface. Byte Dance's Douyin, or we can call it Tik Tok, is popular among users in these two fields.

"People in China like to use the phrase "swipe Tik Tok" to describe themselves when they are watching it, which means that what users need to do is to swipe up and down so they can get access to the next video." [3]. For instance, on YouTube, the user has to type in some keywords in order to look for the video, then they have to click on the video, and after they finish watching it, they need to quit the video by clicking the angle on the top left corner. It will be so complicated after the user has experienced the ease of interaction with Tik Tok. People always say that they cannot stop themselves from watching Tik Tok. The reason why is that Tik Tok has made them addicted to it. Anything that is easily addictive tends to give our brain a sense of satisfaction, or can be demonstrated as a secretion of dopamine. The brain will keep sending instructions to the body to repeat this exercise for more satisfaction because of dopamine.

At the same time, compared to other video platforms, Tik Tok uses a way to watch new videos by swiping down. This interaction reduces the cost of gaining dopamine. Consequently, it can make people more satisfied more easily, which is why they can not stop swiping. During the pandemic, Tik Tok reorganized the UI interface many times in order to provide users with a better experience. They switch the color schemes to dark gray, lime green, and red. They also moved the "like", "comments"

and “collection” buttons to a more suitable position to optimize the video quality while adding animation to each button to promote the users’ experience.

During the epidemic, ByteDance has a considerable number of employees dedicated to developing its own artificial intelligence algorithms, which will be used on Tik Tok. “The algorithm mechanism is like the law of plant growth. People can affect their production results by modifying external factors such as seeds, fertilizers, and the planting environment so that plants can shorten the growth cycle and increase production.” [4]. The AI system obtains the user's detailed information from the user's preferences, the user's schedule, and the user's personal information. After storing it in big data, the system will be very familiar to users. Therefore, the video shown to the user will be considered high quality, because these videos are pushed by the system according to the user's preferences.

### **3.2. Live Shopping Platform**

As of June 2021, the number of Chinese netizens reached 1.011 billion, an increase of 21.75 million from December 2020, and the Internet penetration rate reached 71.6%. China has more than 1 billion users connected to the Internet. The Chinese market has become the largest and most dynamic digital society in the world. Massive Internet users have created a huge demand for the digital industry. Online shopping and takeout will be the main trends in the next few years. Such a large market means huge consumption potential. To this end, ByteDance has launched a live shopping method on the Tik Tok platform.

The live broadcast platform or enterprise will invite celebrities, movie stars, singers or people with a high reputation on Tik Tok to advertise products for the manufacturers to come to the live broadcast room. The celebrity effect will greatly increase the sales of products and create high profits for product manufacturers. At the same time, it also introduces a large number of consumers to Tik Tok and ByteDance.

In 2021, Tik Tok live e-commerce transaction scale continues to improve. The live e-commerce transaction scale is close to a trillion market. The scale of live broadcast e-commerce maintained a high level of year-on-year growth compared with August.

In 2021, the number of Douyin live-streaming sessions exceeded 75 million, up 100% year-on-year, and the number of live-streaming goods links exceeded 390 million, up 308% year-on-year.

“In addition, the number of stores, the number of brands, the number of live-streamed arrivals, etc. all show higher growth year-on-year in 2020, and live e-commerce with goods remains hot.” [5].

The huge base of internet users in China creates this kind of situation where e-commerce is growing rapidly. The elaboration of the products upgraded the industry standard. Consequently, all the products sold by live streaming all gained unanimous positive reviews. As a result, consumers were affected by others and followed the tendency.

With the development of the e-commerce market, Tik Tok extends this field and releases an individual app especially for online shopping, marking Taobao and T-mall, which are the two largest online shopping platforms with a user base of more than 500 million as its goal.

## **4. Areas for Improvement**

To be sure, Byte Dance has a massive market in Chinese Mainland, but they should expand their market further into North America and Europe, where there are many international students from China, potentially creating a large demand for goods. The foreign version of Tik Tok does not have as many functions as the domestic version, although they are from the same company. It only has some basic functions, and the live streaming interface has very rough work. Byte Dance should enter the global market and show people around the world how beneficial it is. The problem they have to face

after entering the overseas market is the infrastructure that needs to be built. The products will not be able to be transported from China to overseas regions because the cost of transportation will be so huge that it cannot be compensated by the profit. Therefore, an assembly line from raw materials to production then to processing and logistics needs to be set up properly. Nevertheless, these hypotheses are all set up under the premise of having clout. It will be extremely difficult but worth a try.

## 5. Conclusion

To be sure, Byte Dance has a massive market in the Chinese Mainland, but they should expand their market further into North America and Europe, where there are many international students from China, potentially creating a large demand for goods. The Chinese and American versions of Tik Tok, although from the same company, do not have as many features as the American version does not have as many features as the Chinese version. The American version only has some basic functions, and the live streaming interface has very rough work. Byte Dance should enter global market and show people around the world how beneficial it is. The problem they have to face after entering the overseas market is the infrastructure that needs to be built. The products will not be able to transport from China to overseas regions because the cost of transportation will be huge and it cannot be compensate by the profit. Therefore, an assembly line from raw materials to production to processing to logistics needs to be set up correctly. Nonetheless, these assumptions are based on influential premises. Although it will be very difficult, it is worth a try.

In conclusion, the outbreak of COVID-19 can be seen to some extent as an iteration of "old" industries and "new" industries. This paper argues that more and more emerging industries appear in this revolution, providing people with countless breakthroughs to increase their income.

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