

Social Media Changes the Market Based on Marketing

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Abstract: The primary goal of this essay is to examine the effects of social media's ongoing development on the market against the backdrop of the explosive growth of MLM-based information. It focuses on comparing the success of the early traditional e-commerce online shopping media "Amazon" and "Taobao" and the success of the modern e-commerce online shopping media "TikTok." By analyzing the operation mode of "Taobao" and "TikTok" and comparing the changes of user data and transaction amount. It can be concluded that users will constantly put forward new needs with the continuous update of technology, and social media will constantly solve the needs of customers to update. This update will continue to maintain and enhance the convenience offered by social media online shopping, and continue to attract new users. From the perspective of marketing, social media constantly solves the needs of consumers and provides interactivity, which makes people more willing to purchase and evaluate products and feedback merchants through social media. For merchants, studying such topics can quickly find and use social media more in line with consumer needs to "interact" and increase their sales channels and quantity.

Keywords: social media, Word of Mouth (WOM), interactivity, consumer behaviors, consumer purchase intention

1. Introduction

Social media mostly refers to the media sharing and social networking apps like YouTube, Instagram, and TikTok as well as the social network apps like Facebook, Twitter, LinkedIn, and WeChat. The purpose of each of these social media is to disseminate knowledge [1]. Then, these so-called "social media" are simply social network carriers, or a novel "social media" created by fusing social media with social network development. The social network has connections between its nodes, and these connections are really relationships. The resources (information) being shared are referred to as the relationship's content. In a setting where communication is mediated by computers, social couples communicate using a variety of information types, such as exchanging data files or computer programs, offering emotional support, or setting up meetings. The exchange of information may now be equivalent to the exchange of money, products, or services in the "real" world due to the growth of e-commerce [2]. Social media has developed into an interactive platform for the exchange of information within this context. The framework of WOM is created when information interacts with one another. The term "WOM," which stands for "Word of Mouth," was first used in the 1950s. According to the definition of word of mouth, it is "a person-to-person communication between a communicator and a receiver who believes that the communicator is non-commercial about a brand,

product, or service." [3]. From a marketing standpoint, social media's ease of use and widespread adoption are desperately needed by the sales market. Companies are gradually focusing on marketing, advertising, and promotion on social media as a result of advances in science and technology [4]. As a result, even if social media helps customers' social networks grow, information is continuously being shared online by consumers as they engage with other buyers and sellers. Sellers regularly market their goods through social media to consumers in order to make money. They also continuously add additional content to encourage consumers to make purchases.

2. Changes in Social Media

From the standpoint of the consumer, packaging and marketing have an unbreakable connection to product sales. The focus of packaging is to show the characteristics of the product, that is, to convey product information through packaging; The focus of marketing is to promote, expand the effect of packaging and audience. Traditional advertising and marketing do not really exist the so-called interaction, it is more of a contract between the manufacturer and the consumer, that is, the introduction of goods and after-sales service terms. However, after the emergence of social networks, people can choose various shopping methods and shopping channels, and consumers can also participate in influencing the commodity market and consumer market through their own purchasing experience. As the cycle continues, the more information about the product becomes available. In a large amount of information, there are not only advertising and marketing packages provided by sellers, but also good and bad evaluations generated by consumers' participation, and the amount of information affects consumers' purchase intention [5]. Excessive good information of goods will lead to excessive packaging of goods, which leads to excessive consumption of consumers, and excessive bad information of goods will greatly reduce consumers' purchase intention, which leads to product retention.

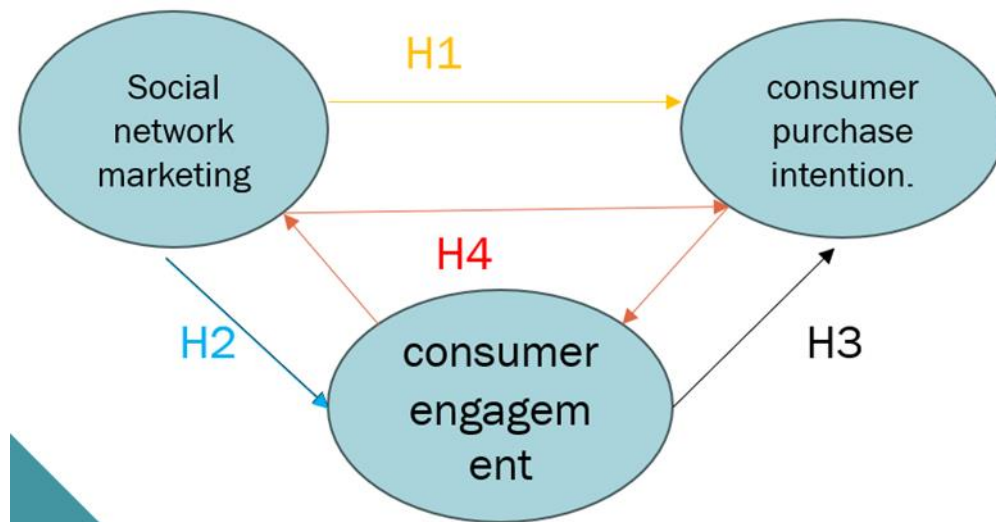


Figure 1: Consumer participation influence model.

H1: Social network marketing influences customer purchasing intentions favorably.

H2: Consumer involvement is positively impacted by social network marketing.

H3: Consumer engagement influences their propensity to make purchases.

H4: Social network marketing and customers' intention to buy are connected and conducted by consumer participation.

From the perspective of marketing, products convey information through packaging, and non-verbal elements such as the image and size of the package affect consumers. Because of the

interactivity that social networks have now, it could be defined as "consumer-generated media that covers a wide variety of new sources of online information, created and used by consumers intent on sharing information with others regarding any topic of interest"[6]. When the prototype of social network appeared in 2013, Its usage already accounts for one quarter of the global population. 4.62 billion people will be using social networks by 2022, or 58.4% of the entire world's population. According to statistics, there are more people using social networks every year. This growth amounts to 424 million new members year, or an average of more than 1 million new users every day [7]. For companies, when evaluating social media as a marketing tool, most researchers base their research on the "interactivity" of social networks, which focuses on the market impact of users "sharing, co-creating, discussing, and modifying user-generated content"[6]. Most would argue that this is a paradigm shift in the way companies market their products because of the advent of social media and the presence of "interactivity." Companies are relying more than ever on consumers to guide their marketing processes and create discourse around brands [6]. With the participation of consumers in social media, the company's advertising and marketing become oriented, and the advantages and disadvantages of goods and services can be accurately proposed after consumers participate in the purchase of goods. Now, with the participation of consumers, the company can quickly promote its own characteristics and constantly improve its services.

3. Data Comparison

The research here focuses on China, which has a population of 1411.175 million, accounting for about 18% of the world's total population, and the development of social networks in China is at the forefront of the world, and the social media market environment has undergone great changes this year, which is of great help to the research of this paper. In this paper, data comparison will be conducted by studying the giant of the social media e-commerce platform "Taobao" (Alibaba) and the emerging online short video platform "TikTok". As China's "Amazon", Alibaba is also the first social media e-commerce platform built in China to make use of the "interactivity" of social media after "Amazon". TikTok is a short video social media that has emerged in recent years. Its initial stage is that the short video information sharing platform does not have the ability of e-commerce. However, in 2021, TikTok introduced a number of video classification systems and has the ability to live broadcast and carry goods as an "e-commerce" platform. Figure 2 illustrates the workflow of integrating social media into an e-commerce website [8].

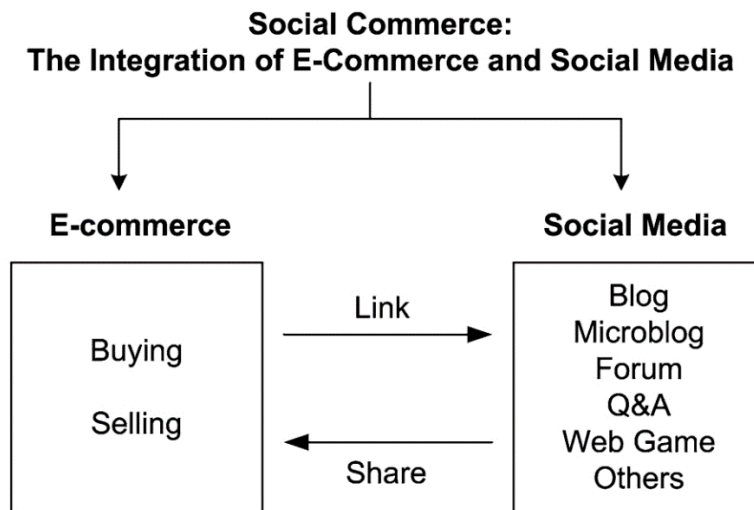


Figure 2: Social commerce [8].

3.1. Taobao

Many researchers have studied the purchasing intention and consumer behavior of consumers on social media. According to the social influence theory, individual feelings and attitudes of consumers will be changed by the presence of others [9]. As mentioned above, social networks will put forward various messages for products, and the model above proves once again that consumer information interaction will continuously inject information into products. However, with the development of the information society, people will change their behaviors and thoughts under the influence of information. Both Amazon and Taobao deeply understand the importance of information for the sale of goods. Therefore, the theme of this kind of network e-commerce is inseparable from First, product pictures (provide the most intuitive and simple product information) second, product description (information supplement made by the seller for the product); Third, customer evaluation (information exchange after the purchase by the consumer); Fourth, customer questions (QA between the seller and the consumer); Fifth, customer service (the sales staff provided by the seller gives intuitive answers and explanations to the questions raised by the consumer) .It is precisely because of these conveniences that e-commerce occupies an important position in the sale of goods in modern society.

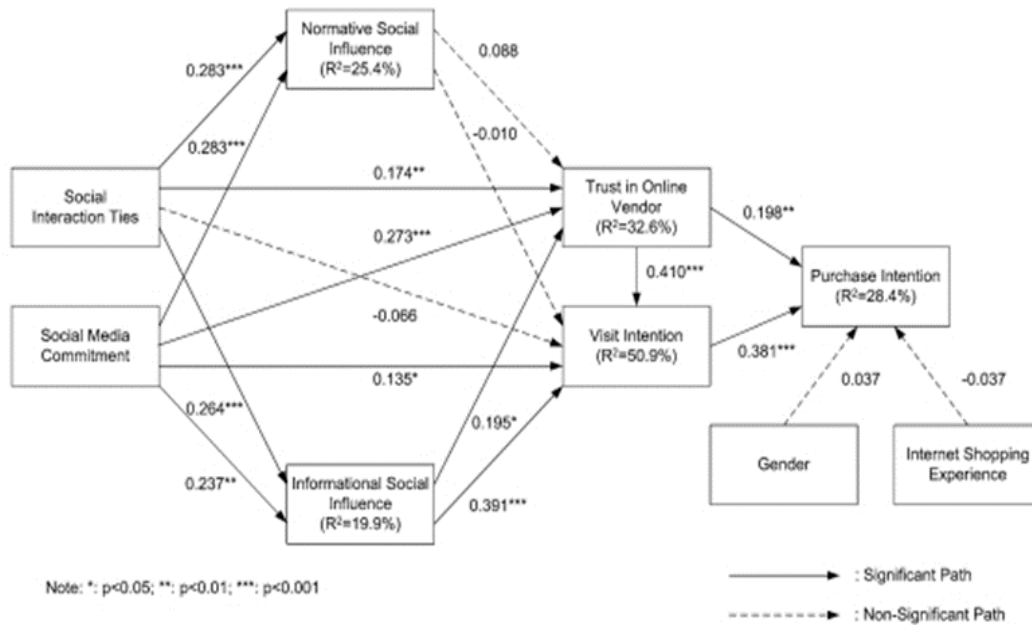


Figure 3: Analysis results [8].

Figure 3 analyzes and summarizes the characteristics according to these characteristics [8]. The chart uses the two-step method of PLS to analyze the data. This method has minimal restrictions on the residual distribution and sample size, so the conclusions obtained are least affected by other factors. The conclusion is that social media is the key to developing the information social influence and trust of suppliers, and such information affects the purchase intention of consumers, while social media promotes the trust between suppliers and consumers and enhances the purchase intention of consumers.

According to Figure 4, in 2016, Taobao began to take shape in the case of 16500.70 million users [10]. By December 2022, the number of online shopping users in China reached 845 million, an increase of 3.19 million over December 2016, accounting for 79.2% of the total Internet users [10]. According to Michael Kraft's law, the value of the network is proportional to the square of the number

of users. Therefore, the value of e-commerce platforms such as Taobao is constantly rising because of social media.

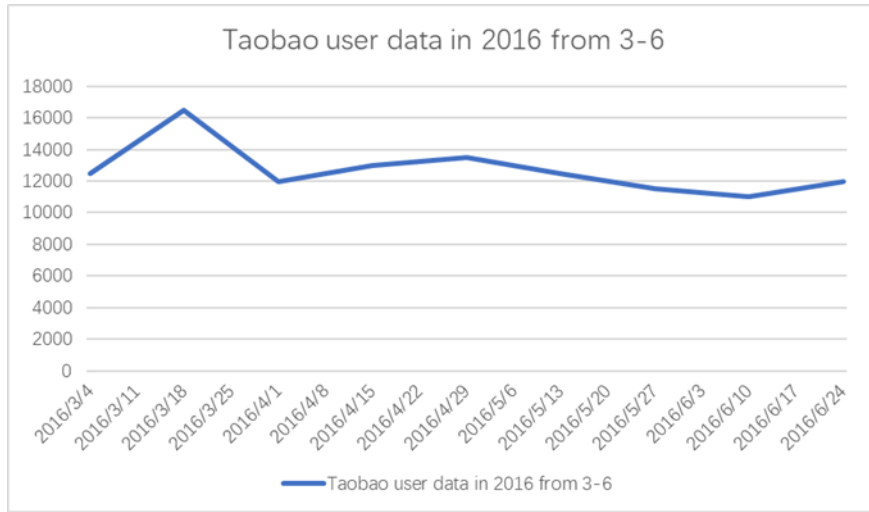


Figure 4: 2016 Taobao user data table.

In 2013, there were 231 million active buyers on the Taobao platform, with an average of 49 purchases per active buyer. In 2012, the number of active buyers was about 160 million, with an average purchase of 36. The average purchase in 2011 was 33.

3.2. TikTok

Social media is constantly evolving with the changing needs of society. As technology evolves, so does social media. Since the impact of COVID-19, TikTok has gained a large number of users as a short video sharing platform. In 2019, TikTok upgraded, adding the ability to carry goods to its original live streaming function, and became one of the main e-commerce platforms in the first stage of the Chinese market in a short time with its functionality. Compared with Taobao, TikTok has updated on the traditional e-commerce goods - interaction. Interactivity is precisely the nature of social media from a business perspective. TikTok put forward three ways to promote the development of e-commerce. The tripartite live delivery of goods proposed by TikTok refers to first “The Talent sell goods”, second “The manufacturer brings goods, third “The brand sell goods”. Figure 5 shows the global ranking of social media use [11].

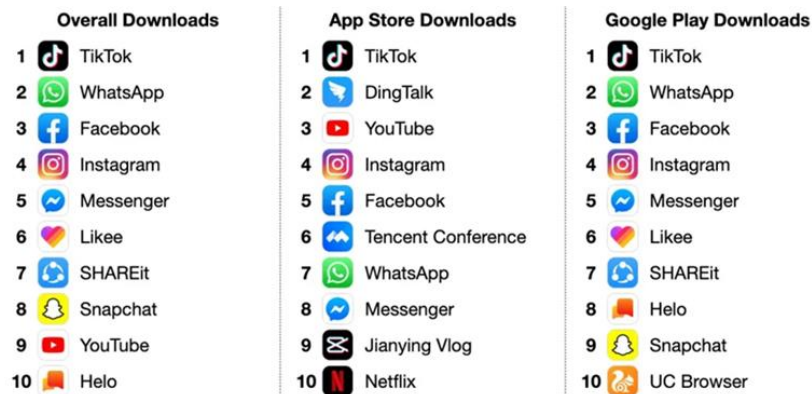


Figure 5: TOP apps worldwide for February 2020 by downloads [11].

Table 1: presents the results of the third-party comparison of TikTok live streaming and sales.

	Brand	manufacturer	Talent
advantage	Brand awareness and influence	Cheap price	high flow capacity
Brand(s)	Sole	moderation	Abundant
Product type	Sole	moderation	Abundant
Permeability	Abundant	Sole	Moderation
Spread range	Abundant	Sole	Abundant
profit	High	Low	High

3.2.1. The Talent Sell Goods

Talent with goods is the Internet famous people selected live to sell goods. Since this is a way of monetizing traffic, traditional Internet masters can only make profits by taking advertisements through their own heat. And the master with goods to help these masters to monetize their own traffic, so these masters will open the live broadcast to continue to sell goods to their fan groups. At the same time, there are also people who get fans to become masters because of live streaming and then expand the fan base to expand sales. For example, Li Jiaqi and Crazy Yang are the most famous in China.

3.2.2. The Manufacturer Sells Goods

Manufacturers sell goods is one of the manufacturers of some products to open live broadcast to promote the production of products, compared with other online shopping channels, manufacturers with goods advantage are that there is no middleman to earn the difference. In other words, consumers can buy goods at a relatively cheap price.

3.2.3. The Brand Sell Goods

Brand sell goods refers to the brand owner to open live broadcast for the sale of goods, it is targeted. The target groups of these brands are often fans of the brand, such as Li Ning, the Chinese clothing brand, and Haier, the home appliance brand. These brands often give out better deals for their own brand fans, or launch new products during live broadcasts. The brand carries capital, which also means that the brand will participate in sales through talent or stars in the broadcast room and invite celebrities to stimulate the consumption of celebrity fans through capital.

TikTok has accumulated a large number of users through early short videos, and these users are also all users of TikTok's e-commerce live broadcast sales. Coupled with the coexistence of the three types of live sales of TikTok, there is also cooperation and interaction between these three types of live sales. Interaction is the feature promoted by social networks, which shows that there is a huge development space for TikTok live.

4. Suggestion

According to the GMV comparison between Tiktok and Taobao in Figure 6, consumers will choose the most suitable social media to obtain and purchase product information according to the changes in science and technology. As a social media company, only by grasping the changes in consumer demand and constantly updating its social software can it have more users. As a manufacturer, it is necessary to select the most useful social software with the most users according to the changes of technology and consumers, so as to promote its products more widely.

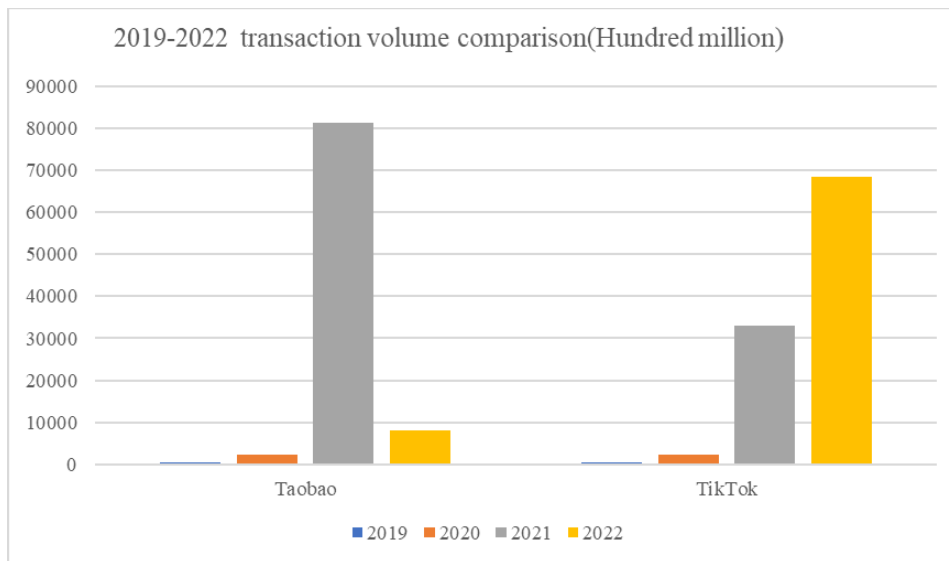


Figure 6: China financial network 2023 [12].

5. Conclusion

With the development of social media, new types of social media gradually occupy a large number of users. These users are no longer limited to simple product information and advertising when using social media for consumption. The emergence of TikTok, a short video social media, has driven the popularity of product evaluation and live delivery. TikTok can provide users with the product information they want to a greater extent than previous social media. By analyzing the functions of Taobao and TikTok, we can get the impact of social media changes on consumers, and by comparing the number of users of these two types of social media, we can get the impact of social media changes on the market. What's driving the change in social media is consumer demand and technology. The conclusion is that social media will continue to update with the needs of consumers, and the influence of social media on the consumer market and consumers will also increase with the update. When there is a social media that can meet the needs of consumers to a greater extent, consumers need to update their use of social media as soon as possible, and businesses need to capture the update of social media as soon as possible to conduct marketing and promotion to meet the needs of consumers.

The focus of marketing is to promote the product as much as possible, that is, to give consumers more information about the product. In the continuous development of social media, the interaction between consumers and merchants of social media is crucial to provide consumers with more commodity information. The update of social media and the development of science and technology are to facilitate people's life to a greater extent. By studying the impact of changes in social media on consumers and the market, researchers can make developmental predictions based on consumer needs, and social media developers can use these predictions to develop and design software to provide better services to consumers. This paper makes a relatively general analysis of the data, but it is actually updated for the changes in how social media develops consumer demand. The impact of the two types of social software mentioned in this paper on the market and consumers is not analyzed in detail, and the marketing methods of merchants in different social media are not analyzed. In order to accurately predict the needs of consumers for the development of social media software, and for merchants to better find the most suitable marketing means, the next step should focus on the study of consumer market, that is, how the "interaction" provided by social media to consumers meets the needs of consumers in detail and affects the market. When the conclusion is reached, the researchers

can then compare different social media to find out which consumer needs are met by these social media and summarize which needs are not met to develop and update social media.

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