

# *Analysis of Cross-Border E-Commerce Marketing Strategy of B2B Model Based on TIKTOK Platform*

Hongsheng Xu<sup>1,2,a,\*</sup>, Wanxing Li<sup>1,2,b</sup>, Guofang Kuang<sup>1,2,c</sup>, Ganglong Fan<sup>1,2</sup>

<sup>1</sup>College of Electronic Commerce, Luoyang Normal University, Luoyang, China

<sup>2</sup>Henan key Laboratory for Big Data Processing & Analytics of Electronic Commerce, Luoyang Normal University, Luoyang, China

<sup>a</sup>xhs@lynu.edu.cn, <sup>b</sup>liwanxing@lynu.edu.cn, <sup>c</sup>kgf@lynu.edu.cn

\*corresponding author

**Keywords:** Marketing Strategy, TIKTOK, Cross-Border E-Commerce, PEST

**Abstract:** By sorting and analyzing a large number of literature, this paper uses PEST analysis model to introduce the development status of TIKTOK from four aspects of politics, economy, social culture and technology, and finds out the problems in the development process of its cross-border e-commerce. This paper analyzes the marketing strategy of cross-border e-commerce B2B by using the basic theory of marketing strategy, and provides reference for the development of cross-border e-commerce B2B enterprises. In response to these problems, corresponding measures are proposed, and TIKTOK is expected to improve relevant laws and regulations, optimize its own algorithm, comply with the requirements of the local government, and improve the conversion rate of traffic in the future development.

## 1. Introduction

With the rapid development of the global economy, the commercial exchanges between various countries in the world are gradually increasing. The continuous research and development of Internet technology has made international business more convenient, and the information exchange and trade between operators and consumers have gradually increased, making business behavior more global. Consumers in different countries have different consumption needs. Through cross-border e-commerce platforms, customers' needs can be met in different countries and products can be sold to destination countries [1]. It has realized the characteristics of economic and trade globalization.

With the development of 5G, the development speed of short video platforms is getting faster and faster, and the use of fragmented time for short relaxation has become the main way of entertainment for people [2]. The e-commerce of short video platform is the innovation of the traditional e-commerce form, and the traffic on the short video platform is realized through the form

of live streaming and video soft and wide, which effectively promotes the current economic development.

The progress of science and technology, the rapid development of 5G, and people continue to explore new economic forms in the Internet field have greatly promoted the development of the economy [3][4]. Short video platforms were born with the popularity of the Internet and smartphones. In recent years, the short video platform has developed rapidly, but the literature on the cross-border e-commerce development of short video platform is less, which cannot meet people's needs. Moreover, the development speed of short video platform is changing rapidly, and the existing literature cannot meet people's current needs.

TIKTOK, also known as the international version of Tiktok, is a short video application launched by ByteDance for overseas markets. Like TikTok, TikTok is also a short video social platform aiming to record and share the good life. It is simple to operate and rich in content with low threshold of use, and is a medium for Chinese short videos to open overseas markets [1]. TIKTOK has not only been downloaded 3 billion times worldwide, but also ranks among the top monthly active users, surpassing established social software such as linkedin and Twitter.

Cross-border e-commerce is a necessary trade mode for China to explore the international market, which enables global small and medium-sized enterprises to carry out business exchanges and trade exchanges [5]. There are still huge markets in the world to explore, so a good marketing strategy is very helpful for the long-term and stable development of a company.

Like Douyin, TIKTOK, as the international version of Douyin, was just a short video platform at the beginning, but with its continuous development, business model innovation and profit model gradually significant. More and more merchants see the business opportunity and use the short video platform to increase the traffic and exposure of their products to obtain more profits. The short video platform of the head has many users and wide audiences, and has great development potential.

The B2B mode of cross-border e-commerce effectively reduces the cost of international trade through Alibaba International Station platform, provides high seas customer resources for small and medium-sized enterprises to find customers, and increases the security and reliability of transactions for customers, improving the efficiency of transactions and customer satisfaction. A large number of enterprises have begun to engage in the cross-border e-commerce industry, selling products or services, and a large number of cross-border e-commerce companies have emerged. With the development of science and technology and The Times, the cross-border e-commerce industry is also growing, and the relevant cross-border e-commerce B2B research has begun to increase, and many marketing strategies are also constantly enriched.

## **2. TIKTOK's Development Status and Problem Analysis**

"Short video", as the name suggests, is a short video. Short video was first produced in the United States and appeared in the form of smart phone applications [6]. Short video appears in the context of science and technology, the development time is not long, the scale of development is very large, but most of the short video platforms belong to the UGC model, the quality of the content provided by the user is uneven, the audit mechanism of the short video platform also needs to be improved, and it will be more troublesome for the cross-border short video platform to deal with.

With the gradual expansion of cross-border industries, foreign customers' demand for Chinese products is also gradually increasing. Compared with foreign countries, Chinese products are unique, and a large number of foreign buyers have emerged to purchase Chinese products for sale.

China's cross-border e-commerce B2B faces the global market, the customer base is very large, so there is a large market to develop.

The decisive factors for TIKTOK's success are described as follows: first, TIKTOK adopts an algorithm mechanism that understands users better; Second, TIKTOK product operation can provide in-depth insight into consumer needs; Third, TIKTOK has taken localization measures and actively integrated into the local market.

Short video platform has a huge number of users, ultra-high traffic combined with e-commerce, with huge commercial value [7]. At present, the research on the short video platform itself is more in-depth, and there are more materials, while the research on the development of e-commerce on the short video platform is less, but these related literatures are of great reference significance for this research.

TIKTOK, as a software owned by ByteDance, can learn from Tiktok's experience in livestreaming goods, and livestreaming goods will become the mainstream mode of cross-border e-commerce development in the near future [8]. Figure 1 shows global and G4 GDP growth in recent years. The pattern of global growth reflects the sharp decline and expected recovery in emerging market economies. By contrast, growth in systemic economies is expected to slow through 2020 and beyond.

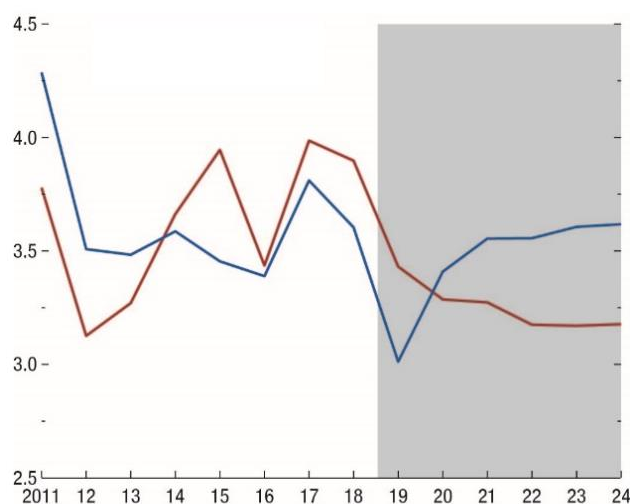


Figure 1: Global and G4 GDP growth.

The improvement of the level of science and technology and the continuous optimization of the algorithm have made the short video development momentum good. Big data is the key to keep users active [9]. The number of short video users is very large, and different groups have different preferences and habits for watching short videos [10]. The data operation of short video cannot obtain the location and preference of every user anytime and anywhere; At the same time, the user's habits and preferences are not static, and these factors will continue to change. Only through big data can enough information be collected to analyze user preferences and personalized services. Only the content that users are interested in can retain users, improve user activity, and make customers stick to the platform.

TIKTOK as an international version of the short video platform, the problem of property rights protection is more prominent, all kinds of plagiarism, imitation emerge in an endless way, and due to different laws in different countries, it is difficult to deal with, it is difficult to have a unified standard. TIKTOK has adopted localization measures when entering the international market, which enables TIKTOK to promote smoothly in various countries. However, due to the different laws and regulations of various countries, the current laws and regulations of the platform are not perfect enough, and it is also troublesome to deal with the problems related to laws and regulations.

TIKTOK e-commerce is a cross-border e-commerce, involving transnational logistics, cross-country logistics transport distance is long, may cross more than one country, the entry and exit procedures of countries are more complicated, logistics timeliness is not so strong, receiving time is longer, which will largely affect the user's shopping experience.

Due to TIKTOK's particular business model, payment is also a difficult issue to deal with. In many cases, consumers do not know how to complete the payment in the middle of the order, which may lead to the interruption of the order, not only affecting the sales activities of the merchant, but also seriously affecting the purchasing experience of consumers.

Therefore, when conducting cross-border e-commerce marketing, it is necessary to consciously consider this difference; Secondly, due to the differences between Chinese and Western cultures, people in different countries and nationalities have different preferences for products and product packaging. Third, due to the differences between Chinese and Western cultures, people's interpretation of the product is also different. The same color has different meanings in different cultures. For example, white generally symbolizes elegance and purity in Western countries, but in China, it represents misfortune and even death.

### 3. Cross-border e-commerce B2B industry status analysis

Cross-border e-commerce refers to a kind of international commercial activity in which the transaction subjects between the customs carry out transactions and settlement activities through e-commerce platforms, and the goods are distributed by cross-border logistics, and finally the transactions are completed [11]. B2B model refers to a business activity in which enterprises or companies exchange goods and services with the help of Internet technology and Internet platform.

In recent years, with the continuous growth of the foreign trade industry, the trade volume of China's foreign trade industry is also increasing [12]. With the deepening of economic globalization, cross-border e-commerce has developed in high quality and become an important part of the world economy, making outstanding contributions to promoting the development of the world economy.

In 2021, more than 40% of users reported an increase in purchasing power, and 65.3% saw an increase in the frequency of using cross-border e-commerce platforms. Although it has a certain impact on cross-border e-commerce, the demand of foreign consumers is still very large, and the development prospects of cross-border e-commerce are very good. Figure 2 shows the total value and year-on-year growth rate of China's trade in goods, data source: General Administration of Customs of China.

China's total value of imports and exports of goods trade and year-on-year growth rate from 2015 to 2021Q1

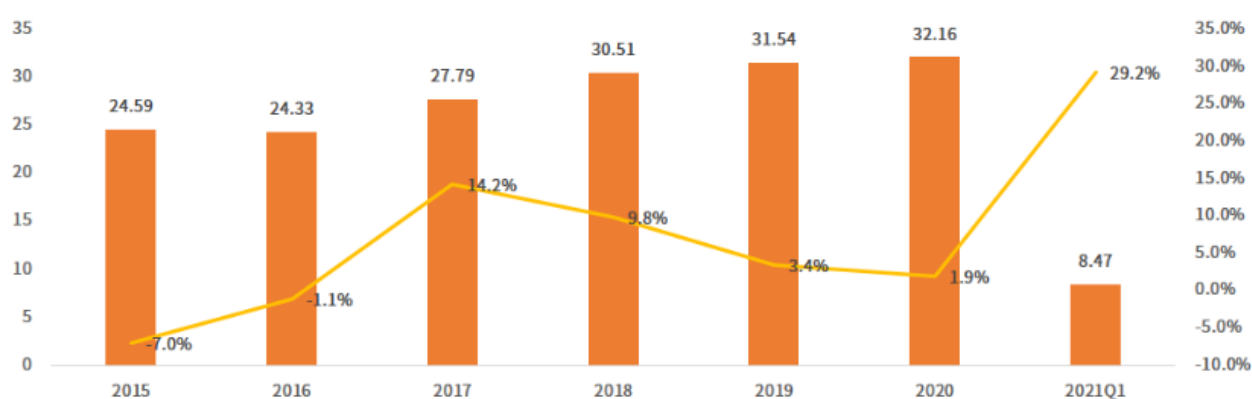


Figure 2: Total value and year-on-year growth rate of China's trade in goods.

Cross-border e-commerce B2B model has the characteristics of global, relying on Internet technology to carry out business activities, consumers through the trading platform and customs data can query the real-time status of orders, people in different countries through mail, or the platform to complete the transaction negotiations, the entire transaction process presents a paperless state [13]. Through the Internet, the openness and transparency of various information increases the credibility of transactions and reduces the fraud problems caused by information blocking, which is a win-win situation for both sides of the transaction.

In cross-border e-commerce B2B communication, the communication between the salesman and the customer is an important factor in whether the transaction can be carried out. As Alibaba International is a cross-border trading platform for the global market, there are cultural differences in various countries and regions, and there are also differences in time. At present, there are two communication methods of Alibaba platform: in-site letter and AliWangwang, which are important channels to communicate with customers in the early stage of transactions.

From the proportion of the national cross-border e-commerce import and export transactions in the total national e-commerce transactions, from less than 1% in 2017 to nearly 5% in 2021, the domestic cross-border e-commerce market has developed strongly in recent years. See Figure 3 Changes in the scale of import and export transactions of China's cross-border e-commerce, data source: General Administration of Customs, Ministry of Commerce.

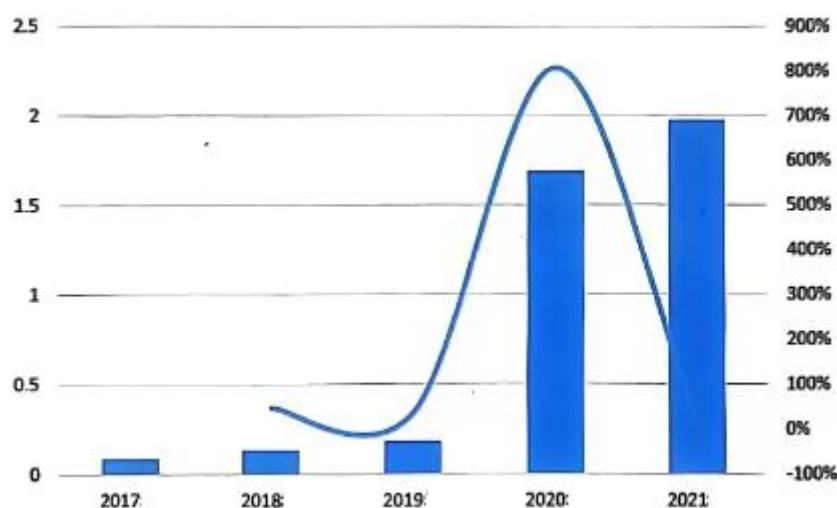


Figure 3: Changes in the scale of China's cross-border e-commerce import and export transactions from 2017 to 2021.

Through the Internet, the limitation of time, place and customer source is solved to a certain extent, and both buyers and sellers can carry out network transactions without region. The negotiation, signing, payment and delivery of transactions can be done through the network. Information interoperability ensures that information can be effectively communicated. Compared with traditional foreign trade channels, cross-border e-commerce B2B is more efficient, convenient and safe. At the same time, the technology-based e-commerce procurement platform improves the working efficiency of enterprises and reduces the operating costs according to the algorithm.

As the investment capital of cross-border e-commerce B2B enterprises is not high, the total investment is divided into platform entry costs, operation and promotion labor costs. Therefore, there will be more new companies. If new enterprises take a price war to enter the jewelry industry market, the impact on the company is relatively large, will intensify the market competition.

One of the reasons for the low satisfaction is the problem of the product itself. The design of some products cannot meet the needs of customers, there are too many kinds of products, and the

design of some products is not so exquisite, which is a problem that must be solved for the development of the company. At the same time due to regional differences, the domestic popular product style replacement is also very fast, so to keep up with the trend, the launch of hot models, explosive models. The quality should take into account the color retention period of the jewelry, the material, whether it will rust and so on. Some customers react that the material of the sample is not very good, which causes an important factor that customers will not place orders.

#### *4. Analysis of cross-border e-commerce marketing strategy of B2B model based on TIKTOK platform*

TIKTOK e-commerce belongs to the model of UGC, the so-called UGC is the abbreviation of User Generated Content, which translates to user generated content, that is, users create content [4]. UGC originated in the Internet field, that is, users will spread and display their original content through the Internet platform. UGC can also be called UCC, that is, User-created Content, which emerged under the rise of the Web2.0 concept.

By analyzing the development status of TIKTOK with PEST theory, we can see that: in terms of politics, TIKTOK is opposed by many countries; On the economic front, the global economy is in a state of low growth after the pandemic. In terms of social culture, TIKTOK is mainly faced with a series of problems brought by social and cultural differences; When it comes to science and technology, TIKTOK's algorithm leaves something to be desired.

Compared with the traditional foreign trade, the cross-border e-commerce B2B platform reduces the transaction links and part of the cost, but under the existing trade mode, the purchase cost of foreign customers is high, mostly reflected in the cost of proofing and logistics costs. The proofing time is long and the cost is high. Many overseas customers send us design drawings based on their own market products, which are unique and different from the production process and flow of existing products in China.

However, the current users of TIKTOK have not accepted this new marketing model, in their view, TIKTOK is mainly used for entertainment, and it is difficult to connect with shopping, which also has a great impact on the development of TIKTOK e-commerce, and it takes time to cultivate users' new consumption habits.

TIKTOK is similar to TikTok, the current operation mode is biased towards type. When you start to use this app, the content you browse has entered the algorithm, they will classify and label you with the algorithm, and then find videos matching your label or preference on the whole network and push them to you, and calculate according to the length of time you watch. Keep pushing based on what you've seen recently.

TIKTOK itself is a short video social platform, and people's demand for it is mainly entertainment, social and so on. Now TIKTOK already has the function of live streaming, the number of fans of the account more than 1000 can be live, but whether it is the head of the network red or the Philistine account, the reward income is generally low.

The cost of cross-border logistics is very high, but cross-border logistics is indispensable for cross-border e-commerce. The cost of cross-border logistics has a great impact on the final transaction of orders. With the continuous prosperity of cross-border e-commerce, the cost of cross-border logistics is also rising. However, some customers have very strict requirements for the transportation time of logistics, and most customers choose the faster transportation mode of air transport, but the logistics cost is very high.

TIKTOK's e-commerce belongs to the scope of cross-border e-commerce, and its online payment process is more complicated than that of e-commerce in the same country. Some users cannot complete their orders because they cannot find the payment entrance, thus losing their customers in

vain, which seriously affects the sales volume of e-commerce.

As can be seen from Figure 4, the price of logistics is increasing year by year. The products that some customers want are similar to some big-name products, which will be treated as imitation products by the customs, and they can only choose special channels for delivery. Meanwhile, the logistics cost is very high, which will also cause the inspection and return and re-delivery, which also leads to the high purchase cost of customers.

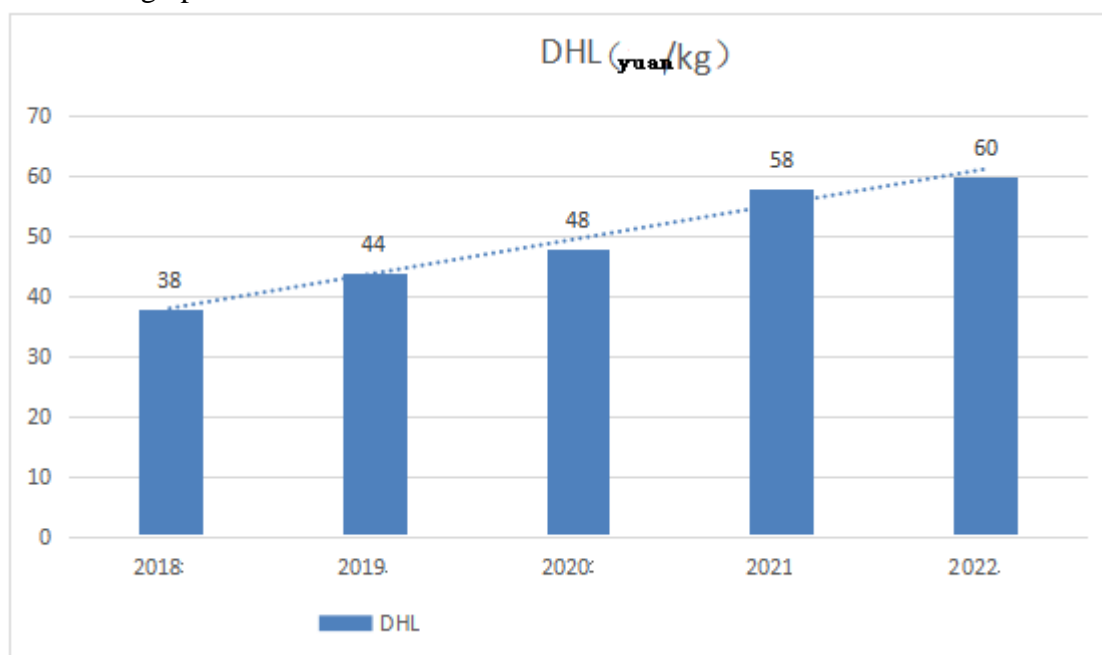


Figure 4: DHL first freight.

Just like TIKTOK, at the beginning, Chinese people did not accept to buy products on entertainment platforms like Tiktok. However, with the continuous development of live streaming, consumers' concepts are gradually changing. Now it seems that buying things on Tiktok has become more and more common, and it is very convenient, and you can buy high-quality and inexpensive products while entertaining.

When TIKTOK is developed in the United States, it can carry out transparent review of algorithms and source code through data processing activities, and accept data review by the United States government. Cross-border friction is inevitable, we should adjust our mentality, in the face of each other's accusations, we should not only prove our innocence, but also resolutely defend our legitimate rights and interests, strengthen our study of local laws and regulations, train professional legal personnel, and safeguard our legitimate rights and interests.

In the early stage of customer development, the customer's response rate is not high, which makes it difficult to proceed with the transaction. Of course, customers can be contacted through the customer's contact information, and the customer response rate is very small. Other customers connect via WhatsApp, wechat, Facebook and other apps. According to the 24-hour timely response rate of salesmen in the background of Alibaba International Station, there is a problem of poor communication between salesmen and customers in the process of communication. As shown in Figure 5.

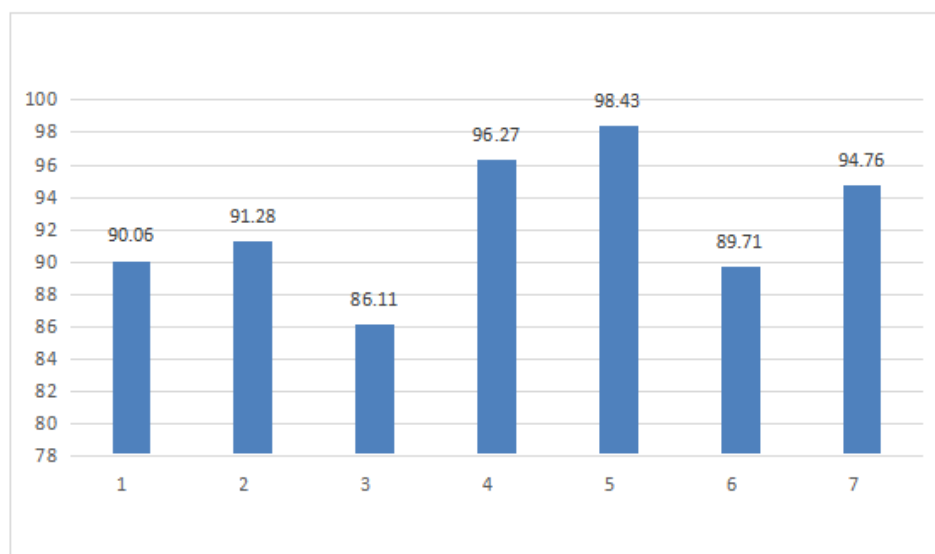


Figure 5: Salesman international station account response rate.

TIKTOK can conduct in-depth cooperation with payment platforms as much as possible, establish a cross-border e-commerce payment system centered on RMB, simplify the payment process, streamline the steps of payment transactions, minimize the time spent by customers in online payment, improve users' shopping experience, enhance customers' desire to buy, and promote product sales. At the same time, when the user buys the product for the first time, the payment operation tutorial can be added to guide the customer to operate step by step and complete the order. On the other hand, improve the scientific and technological capabilities of the platform, so as to improve the security level of online payment, do a good job in the supervision of the payment environment, build a safe payment environment for people, and gain people's trust.

## 5. Conclusions

This paper analyzes the marketing strategies of cross-border e-commerce B2B enterprises through marketing strategy analysis and other related theories. Combining the existing problems of the company and using relevant theories to solve them, it has practical significance and provides a new suggestion and development idea for the marketing strategy of cross-border e-commerce enterprises.

At the same time, relevant enterprises and departments should also do their own things and create good conditions for the development of cross-border e-commerce of short video platforms in other aspects. For example, cross-border e-commerce logistics enterprises should constantly improve their cross-border e-commerce logistics level and provide consumers with good shopping experience. Sellers should cultivate the awareness of cross-cultural communication and understand the demands of consumers. The government has provided support in policy and other aspects to better promote the development of cross-border e-commerce in China.

## Funding

This work was supported by 2022 Henan Province Key R&D and Promotion Projects (Science and Technology): "Research on Computer Monocular Visual Ranging Method and Application"(222102320342) and 2023 Henan Province Key R&D and Promotion Projects (Science and Technology), (232102320016).



## Data Availability

Data sharing is not applicable to this article as no new data were created or analysed in this study.

## Conflict of Interest

The author states that this article has no conflict of interest.

## References

- [1] Yang Bo, *TikTok becomes a popular news communication platform in the United States*, *Young Reporter*, 2022, No. 729(13):99-100.
- [2] Liao Jiacheng. *Research on the innovation path of cross-border e-commerce development in China under the background of big data*. *Trade Fair Economics*, 2019, 36(02):11-13.
- [3] Hongsheng Xu, Huijuan Sun, "Application of Rough Concept Lattice Model in Construction of Ontology and Semantic Annotation in Semantic Web of Things", *Scientific Programming*, vol. 2022, 2022.
- [4] Xu Wanxiu, Zuo Xiaodong. *Revelations and reflections from the US review of TikTok's data security*. *Network Security and Data Governance*, 2012, 41(08):3-7, 29.
- [5] Ma Yanqiu. *Study on the impact of cross-border e-commerce on traditional foreign trade enterprises*. *China Market*, 2023(03):167-169.
- [6] H. Xu, G. Fan, G. Kuang and Y. Song, "Construction and Application of Short-Term and Mid-Term Power System Load Forecasting Model Based on Hybrid Deep Learning," *IEEE Access*, 2023, vol. 11, pp. 37494-37507.
- [7] Gary D. Gregory, Liem Viet Ngo, Munib Karavdic. *Developing e-commerce marketing capabilities and efficiencies for enhanced performance in business-to-business export ventures*[J]. *Industrial Marketing Management*, 2019, 78.
- [8] Cheng Baihua, Long Kun, Qin Zhongnan. *The strategy of the US government banning TikTok*. *Journal of Information Technology*, 2002, 41(08):24-30, 52.
- [9] Hongsheng Xu, Ganglong Fan, Yanping Song, "Novel Key Indicators Selection Method of Financial Fraud Prediction Model Based on Machine Learning Hybrid Mode", *Mobile Information Systems*, vol. 2022, 2022.
- [10] Richard J. Hunter, Hecto R. Lozada and John H. Shannon. *A Primer on Basic Concepts in International Economics: Measuring and Classifying Countries and Evaluating Strategies Employed By Companies Engaged In the Global Market*. *International Journal of Economics and Financial Research*, 2018, 4 (5):25.
- [11] Wang Yingyu. *Thinking on cross-border e-commerce network marketing strategy under the cultural differences between China and the West*. *Journal of Hubei Open Vocational College*, 201, 34(10):122-124.
- [12] Xu, H.; Fan, G.; Kuang, G.; Wang, C. *Exploring the Potential of BERT-BiLSTM-CRF and the Attention Mechanism in Building a Tourism Knowledge Graph*. *Electronics* 2023, 12(4), 1010.
- [13] Chen Danyan. *Dilemma and solution analysis of cross-border logistics in China*. *Logistics Technology*, 2002, 45(12):59-63.