

# Content Commerce

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内容电商

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Lecture 11

# Learning objective

- Understand the relevant knowledge of content e-commerce.
- Master the positioning and traffic monetization model of Douyin (TikTok).
- Master the positioning and traffic allocation mechanism of Taobao Live.



# Promotion in traditional e-commerce



- ✓ Less attractive for consumers
- ✓ Price fluctuations lead to users' distrust of the platform
- ✓ Merchants often cut prices for promotions, making it very difficult to make a profit

# Content Commerce

## **Definition :**

It's a business model that combines creative content with e-commerce, using engaging and interesting content to promote and sell products or services. Content commerce typically involves various forms of content such as text, images, videos, blogs, etc., to attract potential customers, build brand awareness, and encourage purchasing behavior. This approach enhances user engagement, increases consumer trust in products, and ultimately boosts sales.

## **Synonyms :**

Interest-based/driven e-commerce (2021.4)

Live-streaming e-commerce

# Survey



Which of the following platforms have you used?

# 第51次《中国互联网络发展状况统计报告》2022

-中国互联网络信息中心(CNNIC)



网民人数 (亿)



短视频用户规模 (亿)



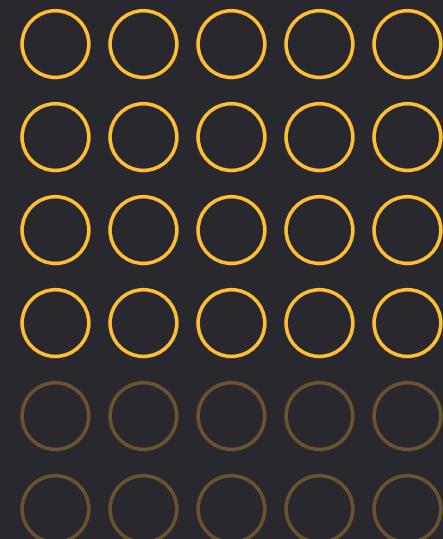
用户日均观看短视频时间  
(小时)

# 电商交易总额

抖音2022年电商交易总额达2080亿美元（约合1.41万亿元人民币）

Time (year) to reach 1 trillion

10



阿里

13



京东

5



拼多多

2



抖音

# Content Commerce



## User traffic sources

用户流量来源

- **Traditional/Search e-commerce:** product recommendations, extensive data analysis, and the subjective intent of users
- **Content commerce:** content published on the platform, eventually driving user purchasing behavior.

# Content Commerce



## The initial intent of users

用户初始目的不同

- **Traditional commerce:** rational consumption behaviors
- **Content commerce:** emotional consumption

# Content Commerce

## The factors driving user purchases

驱动用户购买的因素

- **Traditional commerce** : various promotional tactics.
- **Content commerce** : drives transactions by leveraging user alignment with the content published on the platform or by capitalizing on the "fan effect" (fan loyalty) among users.



# Content production mode

内容生产模式

## Three modes :

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- ☆ User Generated Content (用户生成内容, UGC)
- ☆ Professionally Generated Content (专业生产内容, PGC)
- ☆ Occupationally Generated Content (职业生产内容, OGC)

# Short video VS. Live streaming

## Short video

- Brief, ranging from a few seconds to a few minutes
- Public domain traffic
- Weak interaction
- Focus on combining various scenarios, such as usage scenarios, experience scenarios, emotional scenarios, etc.
- Exposure value and recommendation value are greater than conversion value

## Live streaming

- Lasting for several hours
- Private domain traffic
- Strong interaction
- More detailed display and introduction
- The influencer's popularity, credibility and influence
- Based on trust in the influencer
- Greater conversion value

# Public traffic VS. Private traffic

- **Public domain traffic**

“Public domains 公域”, are traffic sources not controlled or owned by brands. Instead, brands here will usually use different methods to direct public traffic to their campaigns or accounts before trying to engage the users and bring them into their private traffic pool. Examples of public traffic sources include search engines and user traffic on some e-commerce or social networks.

- **Private domain traffic**

Private domain traffic marketing is the method whereby a brand’s communication with its customers is “funneled” into private channels (i.e., “private domains 私域”), where it has complete control over how and when it wants to communicate with this audience.

# Two types of content e-commerce



## Content + e-commerce

内容电商化

Social platforms such as Xiaohongshu connect traffic to e-commerce; short video platforms such as TikTok and Kuaishou build their own e-commerce to realize commercial monetization



## E-commerce + content

电商内容化

Leading e-commerce companies such as Taobao and JD.com use live streaming, graphics and text to build new content marketing scenarios



# Short Video Social Platform- TikTok

短视频社交平台

# TikTok's Development Timeline

Incubation Period (蛰伏期): 2016.9-2017.2

Refining the product around the core platform functionality, continuously optimizing product performance and user experience:

- \* Enhancing the shooting features
- \* Expanding video content
- \* Fostering user interactions

# TikTok's Development Timeline

Promotion Period (推广期):  
2017.3-2017.9

- \* Enhancing functionality
- \* Expanding customer base
- \* Marketing and promotion
- \* Increasing exposure

# Making Travel a Priority

Growth Phase (成长期):  
2017.10-present

- \* Expanding from a Content Platform to the E-commerce Sector
- \* Collaborating with third-party e-commerce platforms
- \* Establishing a standalone e-commerce app for TikTok
- \* **730 million monthly active users in 2022**

# The positioning of TikTok

抖音的定位



## The recommendation algorithm of TikTok 推荐算法

- After users post short videos on TikTok, even if they have few or no followers, the platform provides a certain amount of initial recommended traffic. Initially recommended content is first distributed to nearby users and followers, and then to other users who might be interested.
- Once the platform allocates this initial traffic, it assesses the video's popularity based on feedback data such as **completion rate, likes, comments, and shares**.
- If the short video proves to be popular based on this initial feedback, the platform will allocate more traffic to it. Conversely, if the video doesn't gain popularity, the platform won't allocate additional traffic to it. This process allows TikTok's algorithm to refine content recommendations based on user engagement and preferences.

# The positioning of TikTok

抖音的定位

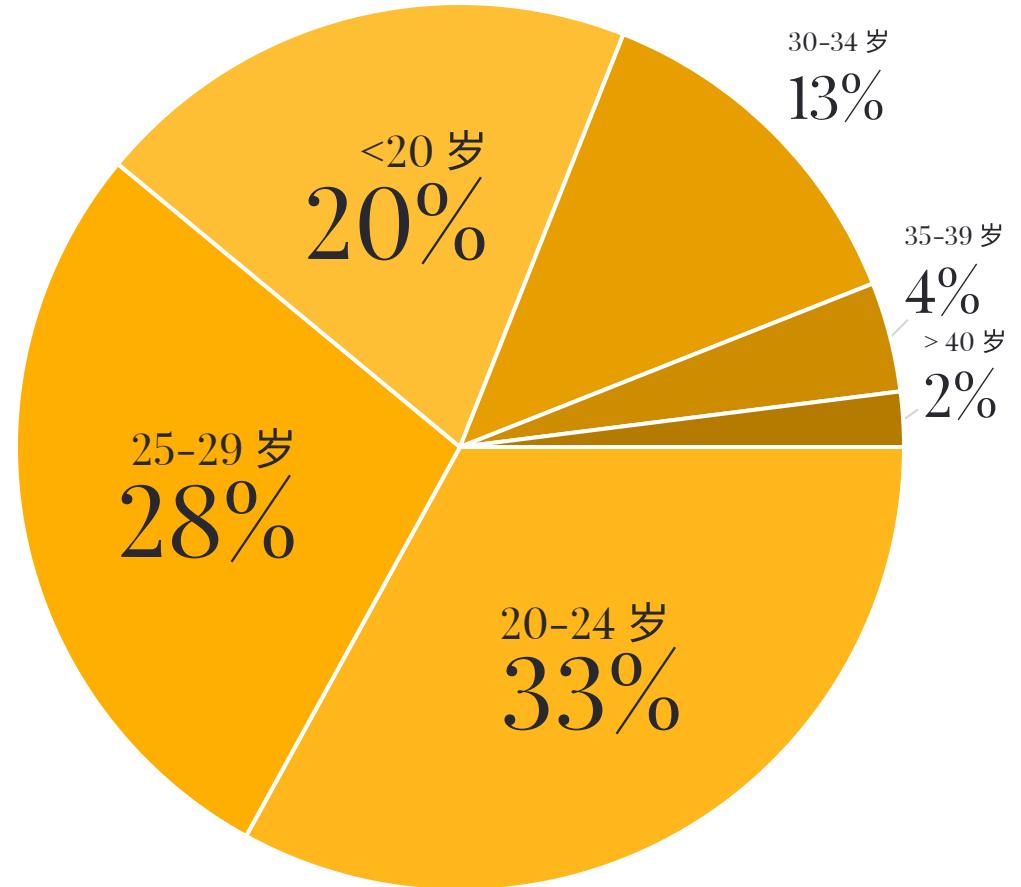


## Short Video Content 短视频内容

- Travel, Food, Curiosities, Emotions, Talents, Children and Cute Pets, Educational and Knowledge-based content
- Unlike e-commerce platforms that primarily focus on live-streaming sales, TikTok's live streaming scene is more diverse, offering a variety of content, including gaming, talent performances, chat rooms, outdoor broadcasts, and more.
- “15s” : caters to people’s fast-paced and fragmented reading habits.

# Age distribution of TikTok users

- 18~24 : have an affinity for novelty and staying up-to-date with trends
- 25~35 : show a preference for life hacks and emotional content



# TikTok's Profit Models

抖音的流量变现模式



## Advertising 广告变现

- Splash Screen Advertisement (开屏广告)
- Information Flow Advertisements (信息流广告)
- Search Advertisement (搜索广告)

# Key evaluation indicator

关键评价指标



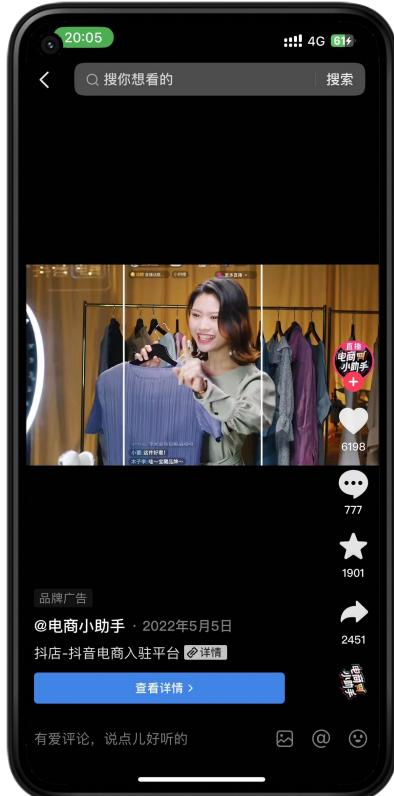
## GPM (转化率)

GPM是每千次PV（浏览量）带来的GMV（商品交易总额）

- PV : page view, refers to the number of page views, which is used to measure the number of web pages visited by website users. If you open the same page multiple times, the number of views will be accumulated
- GMV : Gross Merchandise Volume.

# TikTok's Profit Models

抖音的流量变现模式

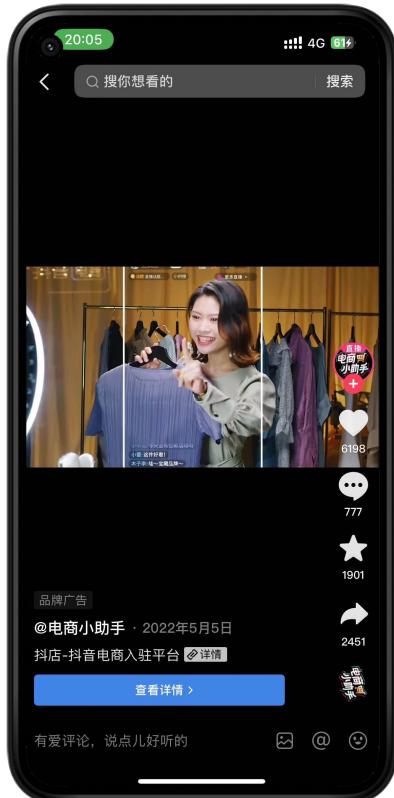


## E-commerce Integration 电商变现

- 抖音商城
- Self-produced products: 抖音贴纸

# TikTok's Profit Models

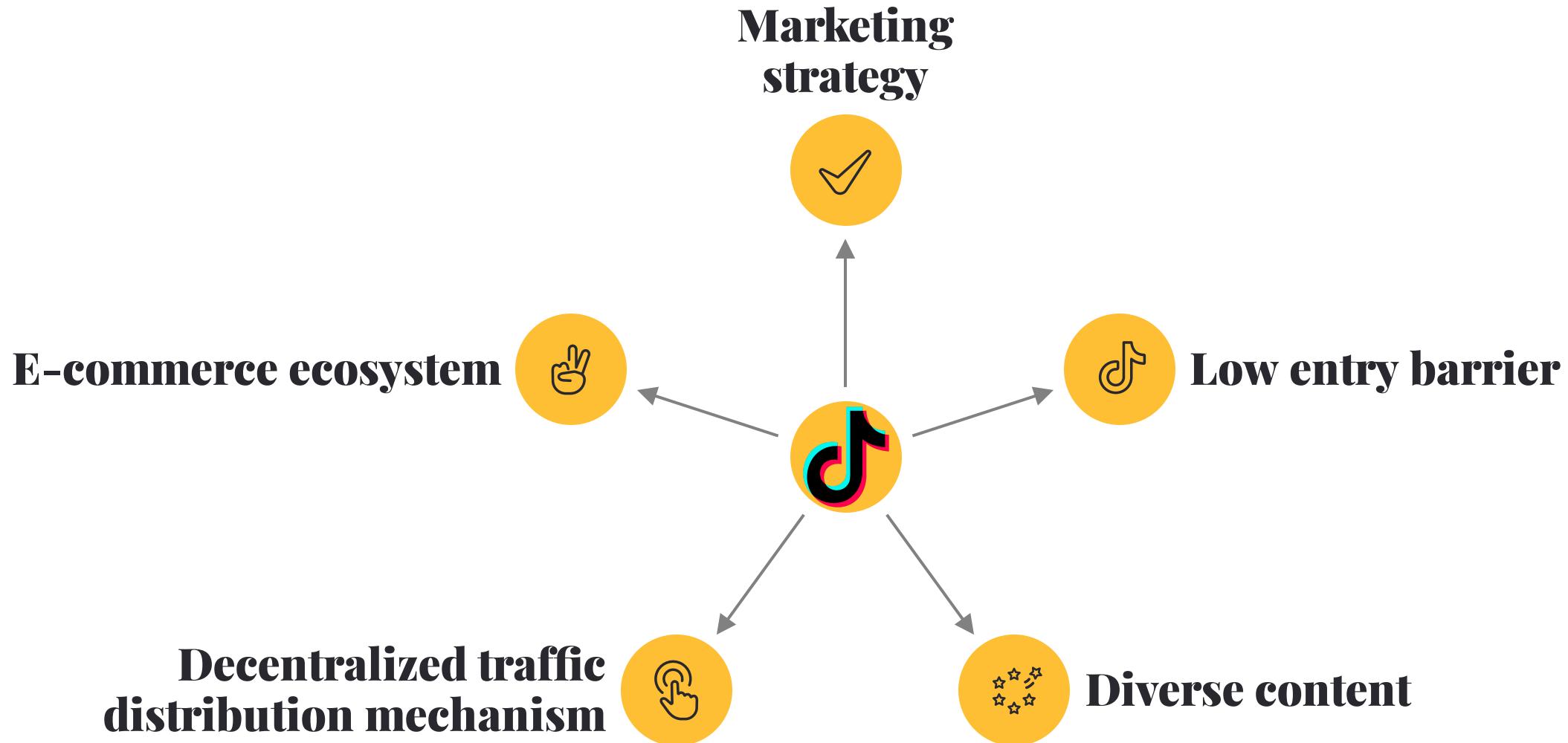
抖音的流量变现模式



## Live-streaming profit 直播收益

- 达人直播，礼物分成
- 直播带货，收益分成

# Short Video Social Platform-TikTok



# 素质拓展

Rational consumption



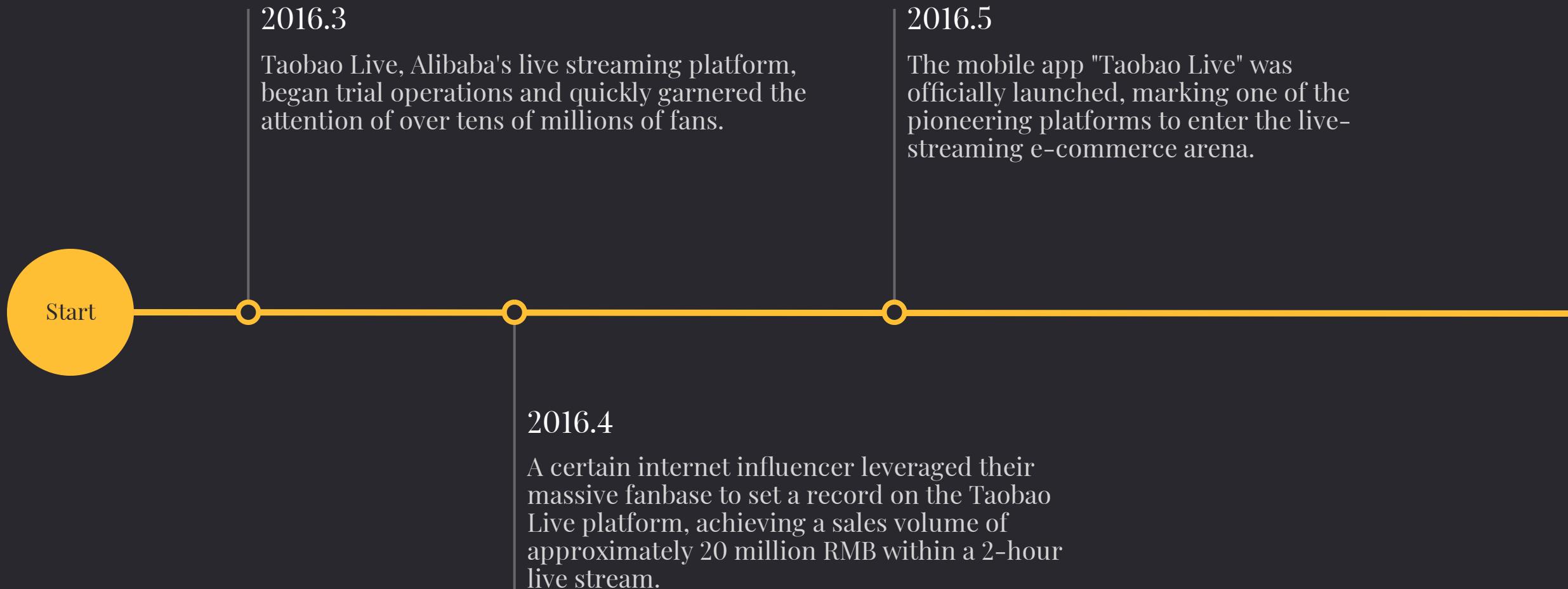
买前要三思



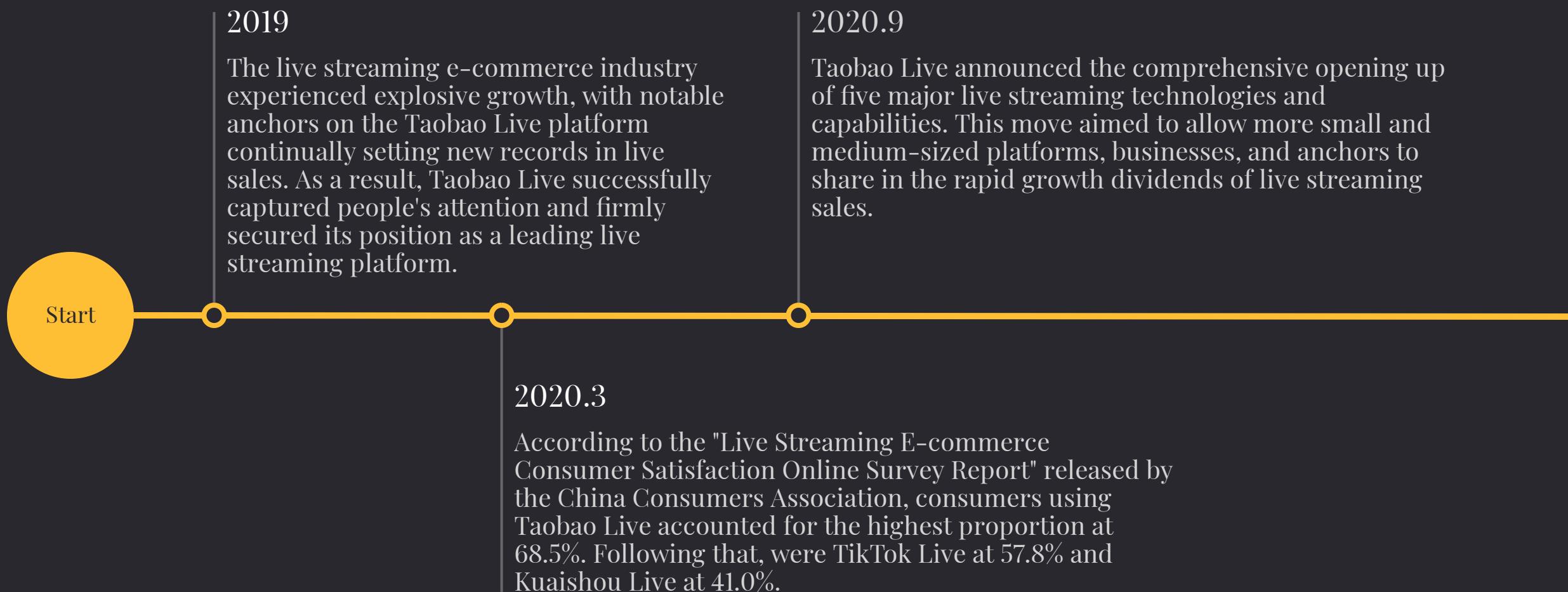
# E-commerce Live Shopping Platform— Taobao Live

电商直播消费平台-淘宝直播

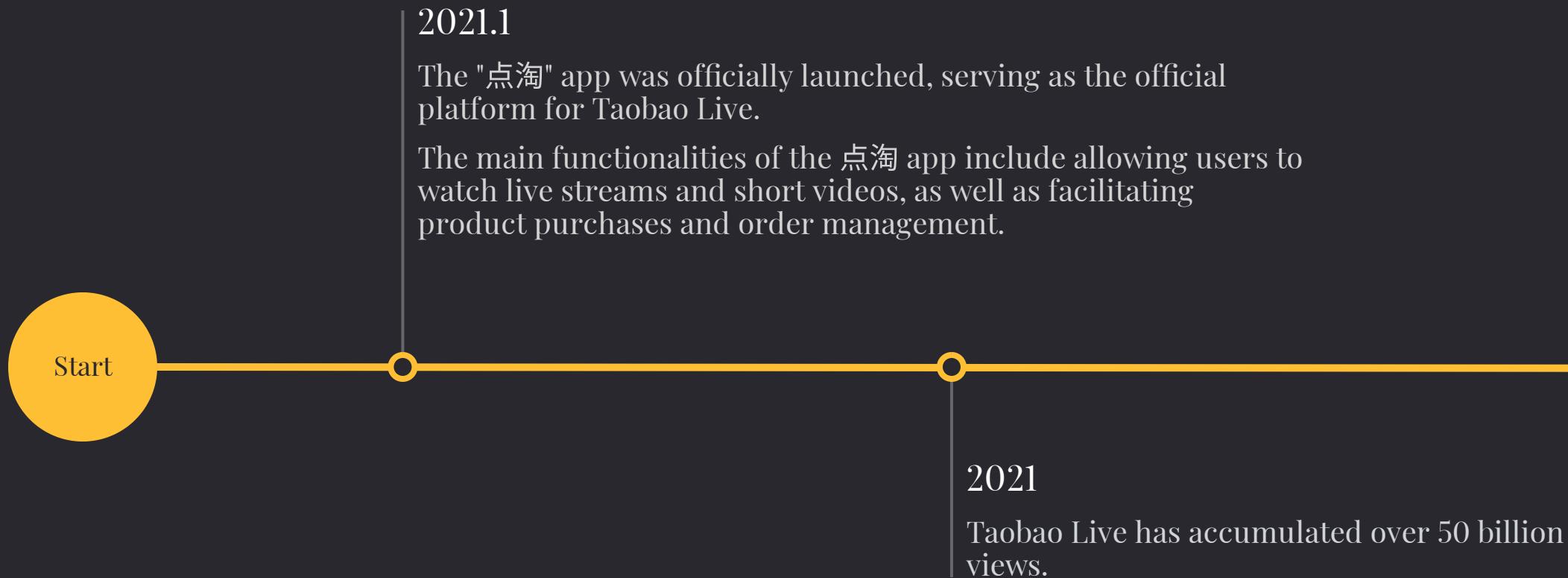
# The development of Taobao Live



# E-commerce Live Shopping Platform— Taobao Live



# E-commerce Live Shopping Platform— Taobao Live



# The characteristics of Taobao live

- Taobao Live involves embedding live streaming functionality directly within the e-commerce platform (Taobao App).
- Strong in e-commerce, weak in entertainment.



淘宝直播

# The Mode of Taobao Live Streaming

淘宝直播的定位



## Merchant Self-Broadcasting (商家自播)

- Businesses establish their own live streaming teams to conduct live operations and sell their own products.
- Merchant self-broadcasting is the mainstream mode of Taobao Live Streaming.
- The anchors are generally internal personnel of the business.
- The viewers of the live stream are often fans of the brand who possess a certain degree of loyalty and demand for the brand's products.
- By leveraging high-quality live content, businesses can also convert non-fan viewers into fan users.
- Within merchant self-broadcasting, businesses can select multiple different anchors to take turns in conducting live streams, thus enabling 24-hour continuous broadcasting.

# The Mode of Taobao Live Streaming

淘宝直播的定位



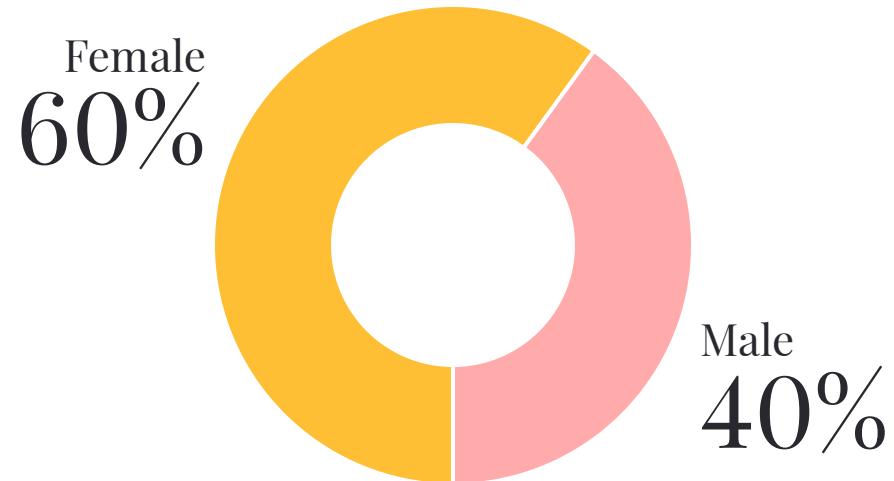
## Influencer Live Streaming (达人直播)

- Influencers or expert anchors gathering various types of products to conduct live broadcasts.
- Influencers do not have their own supply of goods; they only need to establish connections with businesses and then broadcast and sell the merchants' products within their live streaming rooms.
- While influencer live streaming rooms showcase a diverse range of product brands and have a faster pace of introducing new products, they are limited by the styles provided by the businesses.
- Influencer live streaming requires anchors to leverage their accumulated fan base and strong content production capabilities to convert viewers into customers.
- When users purchase products, trust in the influencer also plays a significant role, in addition to brand trust and product demand.
- Influencer live streaming is often limited in duration due to being conducted by a single anchor.

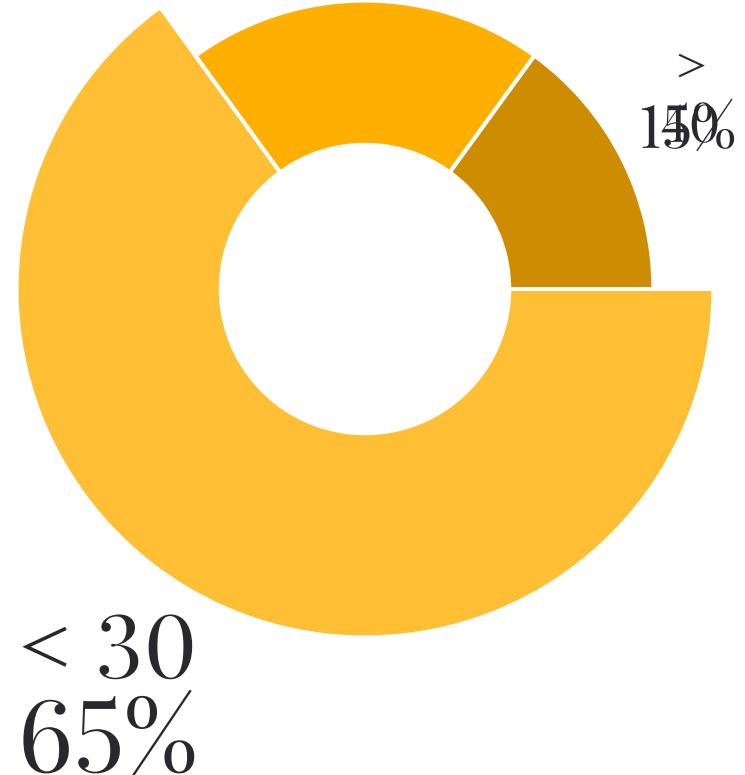
# User Characteristics of Taobao Live Streaming

2021.5 Monthly Active User: 750 million

**Gender**



**Age**



# Traffic Allocation Mechanism of Taobao Live Streaming

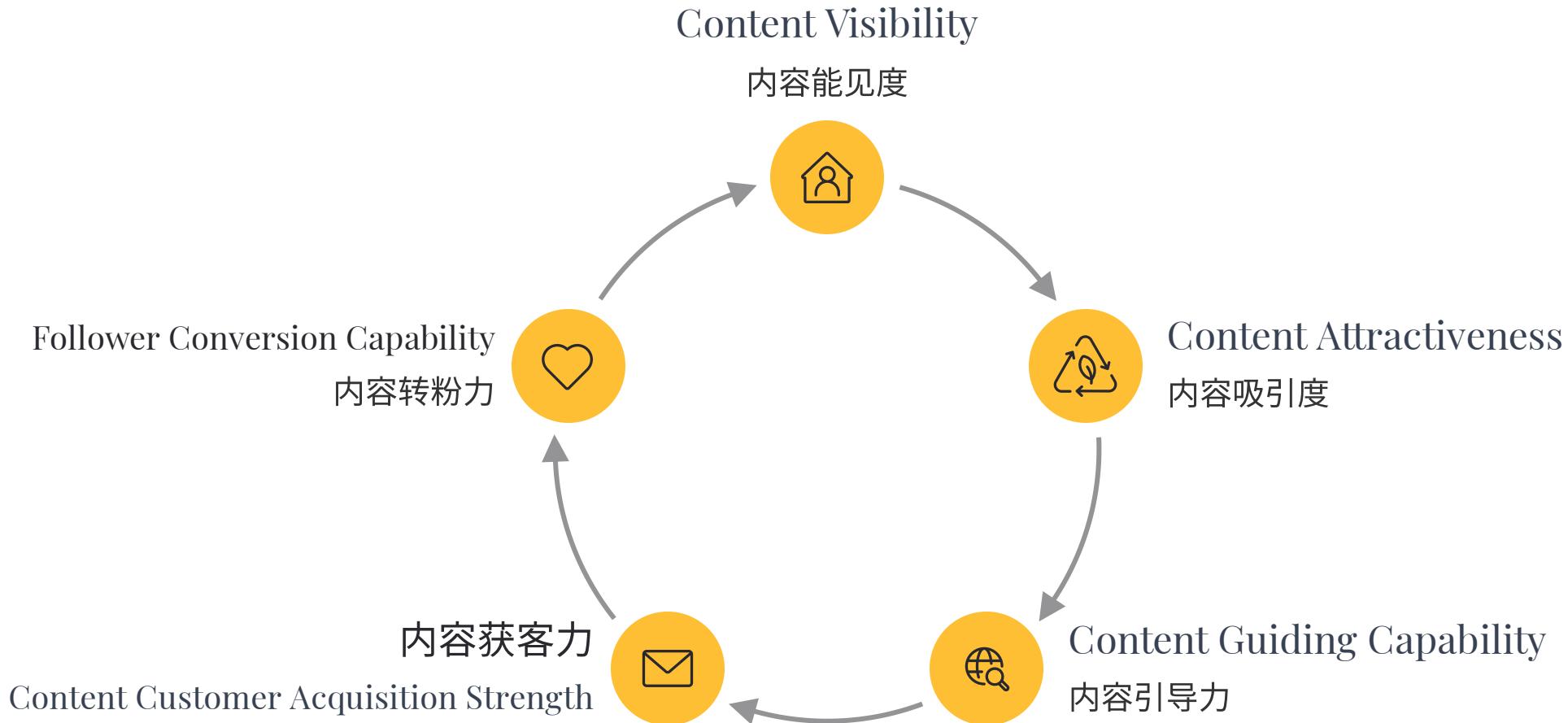
淘宝直播的流量分配



- ✓ Competition Among Anchor Levels  
主播等级竞争
- ✓ Tag Competition  
标签竞争
- ✓ Live Streaming Tournaments and Rank Matches  
活动排名
- ✓ Live Content Development  
直播内容建设

# Live Content Development

直播内容建设



# Taobao Live Streaming



Large User Base



Abundant Supply of Goods



Providing Users with Various Shopping Scenarios



Strong Public Domain Traffic



Diverse Product Categories



High Level of Trust in Taobao



Wide Coverage of User Demographics



Well-developed E-commerce Industry Chain



Dominance of E-commerce Over Entertainment

# 素质拓展



杜绝偷税纳税



杜绝虚假宣传



传播正能量