

Multi-effect Helps the Brand Build a New Marketing Model

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Abstract. Promptly shifting the digital scene, branded short video platforms like TikTok have flexed their masses of media resources to design new methods of reaching the audience. In this article, I discuss the ways TikTok is associating brands, content creators, and customers, thereby increasing marketing efficiency levels. The main focus, using the theory of multisided platforms and observing the pattern of consumer behavior on TikTok, exposes the fact that its data-driven algorithms, influencer marketing, and other "network effects" are the driving forces of modern digital marketing. On the whole, multisided effects analysis concludes that TikTok's multisided effects have a significant positive impact on brand marketing due to the available precise targeting, interactive content formats, and influencer engagements that TikTok is one of the new trends gaining in popularity among digital marketers, you should be fine with some change. For TikTok brands, there will be more opportunities to engage consumers that will function to yield considerable growth opportunities and success, provided that the brands will operate around the clock and will be agile enough to adjust to changes and to the dynamics of the digital environment.

Keywords: TikTok; multisided effects, digital marketing, network effect, precision target.

1. Introduction

The digital age has witnessed an avalanche of disruption, and social media being the most significant wave in addition to being a vital component in branding strategies. TikTok, a live video app that emerged in 2016, has been quite a powerhouse among users of all ages especially the young ones. As of 2024, the monthly active users on TikTok have reached 800 million, or 800 million people prefer to view videos online rather than watch conventional media on TV or print. The situation in which people lose interest in advertisements and show more concern in individualized advertisements is in direct proportion to the decline in advertisements [1].

TikTok has, in its role as a platform for brands, content producers, and consumers, a whole host of nifty things to bring to the table that could help build brand awareness. Brands can now use the special algorithms developed by TikTok and establish a bond with its developing audience. At Pedals, TikTok's business model, which involves advertisements, liveliness, and appeals for commissions, is hardly crucial for its innovative image and reliability of brands and influencers. Short-video platforms like TikTok are clear evidence of the importance of influencer marketing in rethinking the influencer branding phenomenon. A brand's engagement growth strategy on this platform should involve experimenting with multisided characteristics of TikTok's messaging system to increase brand knowledge, captivate customers, and improve the Flash sales process [2].

The objective of this research study is to identify the multisided effects that brands on Twitter use for deriving innovative marketing models. The use of theories on multisided platforms, social media marketing, and influencer marketing seeks to provide a complete theory to help brands with modifications and success in the new digital world. The insights gained will offer both theoretical and practical contributions to the fields of digital marketing and brand management, helping brands navigate the evolving digital landscape [3].

2. Literature Review

2.1. Multisided Platform Theory

Rochet and Tirole introduced the approach of multisided platforms, which make it possible for interact of its users from different groups (e.g. content creators, consumers, and brands) because different kinds of users access the platform by one and the same platform. This model creates a network effect, and by getting more users involved, the platform becomes more valuable. TikTok, one of the social media platforms, operates on this principle by bringing together brands, influencers, and consumers, which express mutual benefits, including the gaining of visibility, monetization of influencers' content, and giving consumers tailored recommendations [4].

In the instance of TikTok, the platform harnesses the multisided, creating a snowball, which is made up of its users, content creators, and brands who want to sign on for the opportunity BETTER the proportional value of the platform. The connection or interdependence of these parties fosters the platform's success because when one of the elements (ex. influencers) goes up, it makes the way for more users and brands.

2.2. Social Media and Consumer Behavior

Kaplan and Haenlein emphasized the transformative value of this tool to customers' purchasing decisions. Social media channels thus offer marketers an exclusive opportunity to fully communicate with consumers, and thus, they can receive feedback in real-time, attract with interactive videos, as well as directly communicate through comments "I like". TikTok platform allows brand owners to have a dialogue with consumers by means of short videos and content created by users, which together form a two-way communication, influencing consumer psychology and the decisions to buy [4]. Such an immense power of these websites stems from their ability to speak to users on an individual level; in doing so, they motivate brand loyalty and grow sales numbers [5-7].

Along with this, TikTok highlights that the content can be more apt with the needs of the customers. By TikTok's (the platform) recommendation system, consumers are offered content that lies with their interests with whom they interact more making purchases more likely.

2.3. Influencer Marketing

According to Abidin [5], influencers play a crucial part in modern digital marketing which is devised especially for TikTok. American Academy of the Arts and Sciences. Online influencers in TikTok, in turn, can highly affect consumer behavior on account of their extensive following and ability to manage themselves with strikingly authentic content that their respective audience can comfortably relate to. For businesses, they can develop partnerships with influencers so that they can not only expand their audience reach but also enhance their brand visibility. TikTok influencer marketing is especially effective because users often produce videos that don't sound like ads or promotional peddling. As a result, people are more likely to trust their peers [2].

Moreover, this technique offers influencers the chance for the self-branding part; however, the promotion of the other brands is an upshot of this relationship as well, making it mutually beneficial. The power of including influencers in TikTok's marketing framework lies in the vital part they perform as intermediaries bridging brands and consumers.

2.4. Platform Strategy and Network Effects

Eisenmann et al. (4) started discussing a major point of capturing user attention in developing a proposition of the dual-sided market model. TikTok also follows firstly established techniques through its algorithm centering on its use of user data and targeting at the placement and performance of brand advertising. With the transparent and robust algorithms of the platform, advertisers have an opportunity to receive feedback based on the level of engagement; hence making sure the ads are reaching the right audience. It ultimately adds to the ad performance and also requires higher consumer interaction.

Tiago and Veríssimo [7] added on as well as digital platforms avail brands the chance to better know their audiences through data analytics, which enables them to elevate personalization and engagement. Through the AI-based system of Douyin, the way the experience keeps on getting refined based on the behavior of its users, thus guaranteeing that it remains highly relevant to both the consumers and advertisers.

In addition, TikTok's unique positioning grows as the place at which users engage with the majority of their content. The platform's worth level surges with each additional individual, brand, and influencer that joins the platform, which in turn creates a causal chain where engagement leads to more significant community growth. TikTok network effect may appear to be the most important factor of its digital marketing supremacy [8].

3. Multisided Theory Analysis

3.1. Interdependencies Linked to User Groups

TikTok operates on a multisided model whereby the platform brings together brands, content creators, and consumers through an ecosystem that's interdependent on all parts, which contributes significantly to these components working effectively together as one. Brands commonly utilize this ecosystem and engage with the influencers, which leads to increased visibility and sales. Collaborating with a popular content creator helps brands exploit the influencers' already existing audiences on social media platforms, thereby creating instant relationships with the consumers, who may have a strong focus on the brand's products. Such strategic communication not only reaches the broad spectrum of the target audience but also contributes to the echo of authenticity and trust since it is the opinions of the influences that the consumers respect and (are) less likely to reject. In other words, consumers experience all that when they watch content produced by influencers, which results in the discovery of the names and education about the products. The more the consumer engages with the brand's channels of communication, the more they become open to any marketing messages. This in turn inspires consumers to try products/services they may have never heard about. Because of that, they co-create their content capitalizing on the chances offered by TikTok. The many followers willing to engage with TikTok influencers contribute to a thriving ecosystem in digital marketing, where all parties including creators and marketers get equal value in return for their time and efforts to grow TikTok's platform.

3.2. Enhanced Network Effects

Moreover, the users of the platform across brands, influencers, and consumers, have an important contribution to the value the platform holds. Increased involvement and escalating conversations by users make better content and contribute to this cycle thus ensuring retention and attracting more users. It is the cycle thus generated that strengthens TikTok's ecology and contributes to the strong network effect that is exhibited.

3.3. Revenue Model of the Platform

Getting the most out of many sources such as advertisement revenue, fast streaming sales commission, and e-commerce transaction fees, TikTok becomes capable of doing something with the information of others, thus enabling the multisided effect. Using such TikTok advertising services, it is generally possible to precisely reach users interested in specific information, which is of utmost value to brands that may spend significant amounts on the same [4].

4. Analysis and Discussion

4.1. Tik Tok Effectiveness from Multilayer Benefits

By TikTok, the consumables brands, content creators, and consumers functioned to operate in a multisided manner. Therefore, marketing efficiency and effectiveness are enhanced. Using TikTok, the brands will make video shorts, collaborate with influencers to promote products and harness big data into narrow marketing. TikTok attribution looks to high-activity groups (for scaling) and algorithms, so it is possible to boost targeting quickly.

Hidden behind the influencer's discoverable power is the ability to persuade their followers to purchase products through their various distribution channels, including TikTok short-form videos, live shows, and short selling. Additionally, influencers often have the opportunity to gain income from these ones through income as they feature their brand.

Consumers assess fast the brand content minus the influencer's suggestions (all are now on the TikTok series), and they will partially be pushed to owing to the excise creating engagement like liking, commenting, and sharing. It is this interaction among them that strengthens the sense of togetherness among them thus the consumers in higher would make the purchases.

4.2. Porter's Five Forces Analysis

For a reflection on the influence factors that can usually change the scenario, Porter's Five Forces Framework can help in performing the analysis.

Influencer ability to bargain is relatively low in TikTok's ecosystem, like that of content creators. The large number of influencers that brands may use is the reason that a brand can select from various influencers such that only a pool of individual influencers with not so much power exists. The dependence factor on a single influencer is definitely reduced, because all brands can search for substitute influencers to advertise their products. Due to this, brands are provided with an opportunity to more effectively negotiate with influencers, as it becomes a fiercely competitive environment in which influencers are doing their best to offer the best possible conditions for brands.

One institutional structure made consumers leverage low to medium power on TikTok, while consumers' bargaining power ranges from moderate to high on TikTok. Online consumers have the advantage of having multiple content options to reflect on their own decisions. The wider range of choices endows consumers with more power because they can easily choose between many content creators or brands' distractions. The prevalent use of TikTok's algorithms at these times counterbalances this power. The system accurately identifies specific users' behaviors and preferences, thus allowing brands to connect with their intended audience more easily. Consumers indeed have a choice here, but thanks to the platform's targeting capabilities brands can always keep their turf with their select market segment.

There is not really any risk of new entrants mobilizing on TikTok's market. The market-oriented user base and the branding of the platform represent the immense challenges for new competitors who try to break into the market. The new entrants, by investing a sizeable amount in the marketing industry, will have to catch up with TikTok in its existing annuity. Nevertheless, the digital landscape is constantly changing, and brands with originality might pop up as they are known for having a unique twist to offer or particular markets to attract users and advertisers that prefer other platforms.

Besides TikTok, being a complementary social media in the advertising market, it can be replaced by substitute products. Brands have many platforms now at their disposal besides the ones they advertise on their social media channels traditional media outlets, and e-commerce websites that are directing their attention to advertising. These gadgets can pull consumers' interest and make them spend money on other platforms aside from TikTok that perhaps have much more appealing or engaging strategies. The expanding market for advertising shows that brands should get their marketing plans on TikTok reviewed as compared to using other available channels.

In TikTok's industry, rivalry is immense due to brands' increasing engagement attempts towards consumers on TikTok. In the event, that more brands invade the market, with intensified competition,

brands are forced to continually innovate their marketing strategies. Brands have this duty to differentiate themselves from competitors in terms of providing unique content, cooperation with influencers, and justified marketing strategies in order to win in the competition, which is vicious. This fierce competition, besides, exerts a lot of pressure on brands to improve their promotion but also creates new opportunities for TikTok to innovate and attract both brands and consumers to the platform.

4.3. SWOT Analysis

TikTok currently has 800 million monthly engaged users, which is its biggest advantage. The audience diversity it provides includes the fact that brands will be able to fold more marketing efforts around focused campaigns. The platform adheres to data-driven principles, so it enables the use of advanced analytics in targeting specific customer categories with the planned marketing campaigns. Furthermore, a consumer's interaction is made more vivid by appreciating a whole range of designs that are offered by TikTok to the customers, such as live sessions and video plays, which make the marketing interactions livelier and more enjoyable. Not only does the possibility of a brand connecting with consumers in this manner lead to brand loyalty, but it also improves the marketing outcome.

However, TikTok can hardly do without its drawbacks. An important problem is that the users can be weary by the overloading of content volume as the number of companies and influencers increases, which may result in a lower engagement rate. In the quest to score more customers than their competitors, many companies struggle to maintain their stand, and brand saturation reduces their visibility. This platform couldn't have a paradise or a secure place beyond threats posed to its brand image. Collaborating with influencers who don't share values that you identify with or resonate with your target audience can have a negative impact on your brand image. Thoughtful decisions on engaging any of the influencers are essential to ensure TikTok's brand image is maintained as desired.

But it couldn't be deduced that TikTok doesn't have any territorial chance of enlargement. It is also a highly attractive factor considering that TikTok has a capability of expanding to international markets across the countries. Given the growing capacity of the platform, it too may play a critical role in the opening of new foreign markets and the outreach to a wide variety of demographic customers. On top of that, the growing presence of avant-garde technologies such as virtual and augmented realities (VR and AR) is being seen as a golden opportunity for all companies that are aiming to create better product demos or immersive customer experiences. These technologies may be among the unique promotional ways TikTok introduces to keep its clients engaged and stand apart from others in a crowded market.

On the other hand, TikTok also has a considerable number of risks that can halt its expansion. The tremendous amount of traction and popularity gained by adversary platforms such as Kuaishou and Bilibili can draw disparate users and ad revenues away from TikTok. Also, the way TikTok operates and its incidence of marketing may be affected by the legal aspects surrounding content rules and privacy policies. The rules may be changed, and new rules can be adopted, which adds to compliance and makes marketing plans harder to execute. A possible risk may stem from the fact that TikTok may provide numerous opportunities but the companies better keep their eyes open on such kind of dangers so that the competitive environment will be successfully navigated.

TikTok being able to craft a strong position in the market with this immense user base and in-depth data-measuring capabilities is indicated in the SWOT area. However, matters such as content jumble and brand image hazards also matter. In consideration of these findings, we will elaborate on implementing some specific strategies that may help companies deal with the fast-changing digital environment effectively.

5. Conclusion

Undoubtedly, the multisided effects theory shows the boost in marketing efficiency of TikTok thanks to its distinct effect, which has many benefits when implemented. Brands are using TikTok's pricing strategies, data analysis capacity, and interactive marketing instruments, thereby precision marketing and the act of promotion are successfully achieved. Going forward, brands may continue to expand their partnerships with influencers, and use technology companies as their supporters, thereby benefitting to greatly improve their value. Additionally, businesses might also stay exhaustion-prone by remaining aware of the sector competition and related policy risks and always applying flexibility in their strategy in order to adapt to the rapid changes in the market environment.

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