

On the Management of Used Cars Under the Influence of Douyin's New Media

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doi:10.56397/FMS.2025.01.04

Abstract

This paper explores the multidimensional impact of Douyin's new media on used car management, including the expansion of marketing channels, enhancement of information transparency, innovation in sales models, promotion of market competition, optimization of industry ecosystems, and cultivation of industry talent. Douyin provides a broad marketing platform for the used-car industry, leveraging video demonstrations and real-time interaction to improve the consumer purchase experience and rebuild trust within the industry. Additionally, live streaming has introduced new sales models such as fixed pricing, group buying, and auctions, further stimulating consumer potential. Amid intensified market competition, used car businesses have adapted by optimizing inventory management, improving content quality, strengthening brand building, and enhancing service systems. This paper also analyzes the application of Douyin's big data tools in precision marketing and market trend analysis, offering recommendations for strengthened management to address challenges and providing valuable insights for the sustainable development of the used-car industry.

Keywords: Douyin new media, used car management, information transparency, market competition

1. Introduction

With the rapid development of Internet technology, the rise of Douyin's video and live-streaming platforms has brought profound changes to numerous industries, and the used-car industry is no exception. The emergence of Douyin, like a strong east wind, has injected new vitality into the used-car industry, reshaping the operational models, market landscapes, and consumer experiences of this traditional industry in multiple dimensions.

2. Expand Marketing Channels and Enhance Brand Influence

Before the advent of Douyin, used-car enterprises mainly relied on offline store displays, traditional online platform promotions, and word-of-mouth marketing. The coverage of these marketing channels was relatively limited, and it was difficult to precisely control the communication effects. The emergence of Douyin's videos and live-streaming has provided used-car enterprises with a new marketing stage with a huge user base. According to official Douyin data, its daily active user number has exceeded 600 million, which means that the potential audience for used-car enterprises is extremely extensive. (Dao Insights, 2020) By creating exquisite used-car display videos that detail the vehicle's appearance, interior, performance, configuration, and price advantages, a large number of potential consumers can be attracted. (Statista, 2024b) Statistics show that the high-quality vehicle display videos released by some well-known used-car brands on Douyin have an average playback volume of several million or even tens of millions of times, and about 10% of the videos have a playback volume exceeding 10 million times, which is a communication effect that traditional marketing methods can hardly achieve. Live-streaming has pushed this marketing effect to a climax. During the live-streaming process, the host can interact with the audience in real-time, answering various questions from the audience about the vehicle, such as the vehicle's history, interpretation of the vehicle condition inspection report,

and the car-buying process. A large used-car sales enterprise statistics show that within half a year after starting Douyin live-streaming sales, its average monthly sales increased by 50%. In one live-streaming session, the host successfully facilitated dozens of transactions, with sales exceeding several million yuan, fully demonstrating the powerful product-promoting ability of Douyin live-streaming in used-car sales.

3. Improve Information Transparency and Reconstruct the Consumption Trust System

The used-car industry has long been plagued by the problem of information asymmetry. Consumers often have doubts about used-car transactions due to concerns about purchasing accident-damaged cars, flood-damaged cars, or cars with incomplete procedures. Douyin's videos and live-streaming have broken this information barrier to a certain extent and improved the industry's information transparency. On the one hand, used-car merchants can display important information such as detailed vehicle inspection reports and maintenance records through videos and live-streaming. According to the survey, about 70% of Douyin used-car merchants have begun to actively display inspection reports, allowing consumers to have a more comprehensive understanding of the true condition of the vehicle. On the other hand, some professional used-car appraisers have also started to share vehicle identification knowledge and skills on Douyin. Currently, the number of Douyin accounts related to used-car identification has exceeded 50,000, and the total playback volume of the videos they released has exceeded 2 billion times. These videos help consumers improve their identification abilities. This transparency of information helps to reconstruct consumers' trust in the used-car industry. When consumers see that merchants can frankly display vehicle information and eliminate their doubts through professional explanations and analyses, they are more willing to choose to buy used cars, thus promoting the healthy development of the entire industry. For example, a Douyin account focuses on popularizing used-car inspection knowledge and has millions of fans. The videos it releases not only improve consumers' awareness of used-car inspection but also prompt more used-car merchants to pay attention to the authenticity and integrity of vehicle information.

4. Innovate Sales Models and Stimulate Consumption Potential

Douyin's videos and live-streaming have given rise to a series of innovative used-car sales models. (Wenfei Yu, 2023) Among them, the online fixed-price sales model has been widely applied. During the live-streaming process, the host directly announces the fixed price of the vehicle, avoiding the cumbersome bargaining process in traditional offline sales and improving sales efficiency. At the same time, the social attribute of Douyin also provides convenience for the group-buying model. Merchants can launch used-car group-buying activities, and consumers can sign up for the group on Douyin to enjoy the group-buying preferential price. An analysis of Douyin used-car group-buying activities shows that the average number of consumers participating in each group-buying activity can reach more than 50 people, and the group-buying transaction rate is about 30%–40%. This group-buying model can not only attract more consumers to buy used cars but also increase the interaction and sharing among consumers, further expanding the influence of the activity. In addition, Douyin live-streaming has also created a new model of auction-style used-car sales. Merchants auction some used cars with special value or scarcity during the live-streaming, and the final transaction price is determined through bidding. This method increases the interest and excitement of sales and often enables the cars to be sold at a price higher than expected, bringing a higher profit margin for merchants. For example, in a Douyin live-streaming used-car auction activity, a classic luxury used-car was finally sold at a price 30% higher than the market appraisal price after multiple rounds of bidding, becoming a hot topic in the industry.

5. Promote Market Competition and Optimize the Industry Ecology

The openness of the Douyin platform allows numerous used-car merchants to showcase their products and services on the same platform, which undoubtedly intensifies market competition. (Statista, 2024c) In this competitive environment, only those merchants with high-quality vehicle sources, good reputation, professional services, and innovative marketing capabilities can stand out. In order to attract more consumers on Douyin, merchants have increased their overall strength, strengthened the management of vehicle procurement channels to ensure the quality and diversity of vehicle sources, increased investment in employee training to improve the professional level of salespeople and appraisers, and continuously optimized the after-sales service system to provide consumers with a more convenient and considerate car-buying experience. Currently, about 80% of Douyin used-car merchants said that due to the competitive pressure on the platform, they increased their investment in employee training in the past year. The intensification of this market competition helps to eliminate bad merchants and backward production capacity in the industry, optimize the ecological environment of the used-car industry, and promote the entire industry to develop in a more standardized, professional, and high-quality direction. For example, some used-car merchants who were originally well-known locally but had average service quality had to carry out self-innovation and improve service quality in the face of national-level competitive pressure on the Douyin platform, otherwise they would gradually lose market share.

6. Cultivate Industry Talents and Promote Industry Innovation and Development

The rise of Douyin's videos and live-streaming has also cultivated a large number of professional talents and emerging internet celebrities in the used-car industry. (Statista, 2024a) On the one hand, many used-car appraisers and salespeople have accumulated a large number of fans by sharing their professional knowledge and work experience on Douyin, becoming well-known figures in the industry. Currently, the number of used-car industry creators on Douyin with more than 100,000 fans has exceeded 10,000. Their successful experiences have attracted more young people to engage in the used-car industry, injecting fresh blood into the industry. On the other hand, the rich creativity and marketing cases on the Douyin platform also provide a source of inspiration for the innovative development of the used-car industry. Merchants can learn from these cases and explore new business models and marketing methods, such as implanting used-car advertisements in short-video plots and carrying out online-offline interactive used-car theme activities. For example, a used-car merchant cooperated with a Douyin internet celebrity to shoot a series of interesting used-car-themed short-video skits. The characteristics and advantages of the vehicles were cleverly displayed in the plays. The total playback volume of this series of skits reached 50 million times, attracting a large number of viewers' attention and love. At the same time, it also provided new ideas for innovative marketing in the industry.

The emergence of Douyin's videos and live-streaming has had an all-round and in-depth impact on the used-car industry. It has not only changed the marketing models, sales models, and consumer experiences of the used-car industry but also promoted market competition, information transparency, and industry innovation and development. In future development, the used-car industry should make full use of the advantages of the Douyin platform, continuously explore and innovate, and strengthen industry self-discipline to adapt to the development trend of the digital age and provide consumers with more high-quality, convenient, and reliable used-car services.

The used-car industry, in the face of the many changes and challenges brought about by Douyin's videos and live-streaming, can strengthen management and respond in the following ways:

(1) Improve Content Quality

Professional Knowledge Explanation

There is a large amount of used-car-related content on the Douyin platform. Industry practitioners need to provide more professional and in-depth vehicle knowledge explanations. For example, they can interpret in detail the mechanical structures of different models, common faults, and maintenance costs, etc., and use professional content to establish an authoritative image and distinguish themselves from non-professional creators.

Exquisite Video Production

Invest more resources in video production, including using high-definition shooting equipment to ensure the vehicle display effect, reasonably applying editing techniques such as adding special effects and subtitles to highlight key vehicle information, and paying attention to the rhythm of the video to ensure that the audience does not feel bored during the viewing process.

(2) Strengthen Brand Building

Shape Brand Personality

Clarify the brand positioning and values, and convey a consistent brand image through Douyin videos and live-streaming. For example, some used-car dealers emphasize "integrity first". In videos, they can show the real vehicle condition inspection process, and in live-streaming, they can tell stories about operating with integrity, so that consumers can remember the brand characteristics.

Strengthen Brand Reputation Management

Pay attention to users' evaluations and feedback on Douyin in a timely manner. Respond positively to positive reviews to express gratitude, and for negative reviews, take prompt measures to solve the problems and transparently display the handling process to other users, thereby enhancing the brand's reputation.

(3) Optimize the Service System

Pre-sales Service

Use functions such as Douyin live-streaming to provide more comprehensive pre-sales consulting services for vehicles. For example, arrange professional customer service personnel or sales consultants to answer various questions from the audience about vehicle prices, configurations, procedures, etc. in real-time during the live-streaming process, and be able to provide vehicle customization recommendation services.

After-sales Service

Improve the quality of after-sales service, including providing a certain period of quality assurance service, a

complete vehicle maintenance and repair package, and rapid rescue services. On Douyin, the advantages and efficiency of after-sales service can be demonstrated through case sharing to enhance consumers' confidence in car-buying.

(4) Pay Attention to Talent Cultivation

Anchor Cultivation

Cultivate professional used-car Douyin anchors. Anchors are required to be not only familiar with used-car business knowledge but also possess good communication skills, field-control abilities, and live-streaming skills. Regular internal training can be organized or external experts can be invited to give lectures to improve the overall quality of anchors.

Team Collaboration Ability

Strengthen the collaboration among the sales team, appraisal team, after-sales team, etc., to ensure the seamless connection between Douyin marketing and offline services. For example, when a transaction is facilitated through Douyin live-streaming, the appraisal team can quickly complete the vehicle inspection, the sales team can efficiently complete the transaction procedures, and the after-sales team can promptly follow up with subsequent services.

(5) Strengthen Data Utilization

Analyze Market Trends through Data

Use the data tools provided by the Douyin platform to analyze used-car market trends, such as changes in consumers' preferences for different models, price ranges, and regions. Adjust the inventory according to these data, and optimize the vehicle procurement strategy to ensure that the vehicles sold meet market demand.

Precision Marketing with User Portraits

Leverage the big-data analysis function of Douyin to accurately depict user portraits. After understanding users' age, gender, region, consumption habits, etc., formulate personalized marketing plans. For example, push fashionable and cost-effective used cars to young consumers, and focus on recommending luxury and comfortable vehicles to middle-aged consumers.

(6) Optimize Inventory Structure and Do a Good Job in Inventory Management

Optimize Inventory Structure

In the past, when the market environment was good, any purchased cars could be sold. Now, it is different. Inventory segmentation must be done well. When there are too many homogeneous products, there must be an inventory control concept. Control the number of models in the same series within a certain amount, and do not blindly pursue quantity. For scarce models, cross-regional procurement can be carried out to supplement the supply and balance the inventory product structure.

Make Good Use of Inventory Management Tools

Rely on software systems developed by third parties to do a good job in inventory management. According to the characteristics of the current used-car business and the laws of market changes, the general reasonable inventory time for used cars is one month. It is the most reasonable and relatively safe to sell the cars within one month from purchase. Of course, if a used-car sales store can sell the cars within 15–20 days, it will surely make a profit. A one-month inventory cycle is a warning line. If it exceeds one month, it is recommended to dispose of the cars even at a break-even price, that is, without making a profit. Either reduce the price or wholesale them at a flat price to peers or auction institutions. If the inventory exceeds two months, it is a very dangerous signal, and immediate measures must be taken to dispose of them, even if it means selling at a loss. Currently, the domestic used-car market trends basically change every 2-3 months, generating a new price market. Especially for new energy used cars, the price fluctuates almost every month.

Mastering inventory management will be one of the major challenges in future used-car operations.

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