

## EXPLORING THE USE OF TIKTOK SOCIAL MEDIA MARKETING: A CASE OF MOTOR VEHICLE DEALERSHIPS

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**Abstract** – Social media platforms have changed how organizations communicate with customers and potential customers in many sectors of the economy. The purpose of this study was to explore the use of TikTok as a social media digital marketing platform for motor vehicle dealerships. Complexity theory is adopted in the study to address the purpose of the study. A qualitative research method was used to collect the primary data in Tshwane, South Africa. A content analysis method was used to analyse the primary data collected during in-depth interviews with salespersons at motor vehicle dealerships with the aid of ATLAS.ti version 8. The findings of the study uncovered that motor vehicle retailers had indeed adopted TikTok for marketing of services and sharing of information on new vehicle arrivals, special offers and dealership locations. In addition, the findings revealed that motor vehicle dealerships did not have measurement metrics to determine the impact of their use of TikTok as a marketing platform. Recommendations to stakeholders and on future studies are made in this paper.

**Keywords** - Content Analysis, Customers, Digital Marketing, Social Media, Social Media Marketing, TikTok

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## 1 Introduction

Social media has changed the way organizations share marketing messages with their customers. Recently, the increased use of information technology, including social media platforms and applications, has enabled people to access applications easily and efficiently, using the internet everywhere and anytime (Pieter, Massie & Saerang, 2021). Customers also utilize social media to exchange texts, images, sound, and video content with other users, including businesses (Kotler & Keller, 2016). Social media therefore make it possible for customers to spread positive word-of-mouth messages about different types of products (Kapoor et al., 2018). Concurrent with the evolution of several social media platforms, the consumption of short online videos has been expanding fast internationally, and this is having an unparalleled influence on consumers' daily lives, impacting the way consumers communicate and share information (Wang et al., 2021). TikTok is one of the most widely used social media platforms for short videos (Wang et al., 2021). In contrast to other social media platforms, TikTok gained popularity because it allowed users to quickly create and share short videos, which could include music, animation, and visual effects (Daryus, Ahmad & Dada, 2022). According to Balkhi (2019), TikTok is an application that is now widely used as a marketing tool because it provides unique and interesting effects and has precise targeting to reach the right users. Researchers have pointed out that TikTok is globally available in more than 150 countries and 39 languages (Pieter et al., 2021), making it the most popular short-video application in the world. For this reason, experts in social media marketing consider TikTok to be an effective tool for consumers to access information about different products and services worldwide (Song et al., 2022). Social media marketing is about making real connections with target markets online, so that potential consumers can come to understand, like, and trust a brand enough to know how it can solve their problems (Agbaimoni & Bullock, 2013). Also, according to Yadav and Rahman (2017), social media marketing is a process by which organizations create, communicate and deliver online marketing offerings and messages through social media to maintain stakeholder relations and escalate stakeholder value by providing interaction, sharing information, and offering personalized buy recommendations. It is therefore not surprising that there is a lot of interest in social media marketing through TikTok content (Permana & Pratama, 2022). TikTok is viewed as the fastest growing social network in the post-pandemic era. It was the most downloaded application globally in 2020 and 2021, achieving 1 506 million downloads in those years, much more than Instagram, with its 1 048 million downloads (Forbes, 2021).

Marketers can benefit from using TikTok social media platform in a different of ways in marketing products and services. Firstly, because TikTok is the most popular short-video application in the world, marketers have a golden opportunity to reach a diverse range of consumers. Secondly, it can help marketers drive a high volume of traffic to their products (Sharabati et al., 2022). Hence, marketers may adopt the TikTok platform to influence consumers' purchase behavior toward a variety of products. Social media content is crucial

to the success of a marketing plan for products such as motor vehicles and services.

This paper adopted complexity theory in addressing the research objective. Lewin (1999) is one of the proponents of the Complexity Theory. According to Lewin (1999:215), the key fundamental inferences arising from Complexity Theory is that order naturally occurs in systems, no matter how simple, complex, non-linear, or chaotic the system is. The idea that organisations can naturally develop effective strategies, structures, and processes and self-adjust to new strategies and environmental changes implies that managers should facilitate, guide, and set the boundary conditions within which successful self-organisation can take place. In the language of open systems and complexity, the new management logic requires the management of all the organisational levers of dissipative energy.

This study adopts the Complexity Theory which holds that organisations can naturally develop effective strategies, structures, and processes and self-adjust to new strategies and environmental changes. The approach advocated in this study is based on the principles and concepts of the Complexity Theory. This implies that managers and employees (as agents) in farms facilitate, guide, and set the boundary conditions within which effective technological innovation activities can take place.

In applying Complexity Theory, technological innovations such as Tiktok are developed and implemented as the result of the interaction between the business environment and a variety of people (agents) that strive to achieve improved outcomes (inform customers and generate leads). In addition, this study supports the Complexity Theory by arguing that the complex and dynamic nature of the business environment presents both opportunities and threats.

## 2 Literature Review

TikTok is the latest popular form of social media that can be used by organizations to share marketing information. It is an application that features short videos that have been developed by each content provider to be eye-catching and interesting (Rahayu et al., 2022). TikTok is currently the new form of social networking (Fan & Hemans, 2022).

The TikTok app has many advantages. It was developed as a platform in a fast-moving society for people to express themselves and their opinions, in a way which is entertaining to watch (Yang & Ha, 2021). In addition to this, TikTok facilitates the reduction of loneliness through users' everyday social connections and social interactions (Sharabati et al., 2022). Because of the nature of the platform, TikTokers can present their products and services engagingly and entertainingly (Barta et al., 2023). It is therefore not surprising that marketers use TikTok to enhance their sales and profitability via marketing campaigns on this application (Gesmundo et al., 2022). In terms of marketing research, however, it is a very interesting undertaking to determine TikTok's reach (Fan & Hemans, 2022).

The current observation is that consumers tend to use social media particularly to gather information on which to base decisions. Thus, the influencers have emerged and leading social network users who other users consider to be role models. These other users follow the influencers' advice and trust their opinions on topics such as fashion, lifestyle, photography and travel (Meliawati, Gerald & Aruman, 2023). In fact, influencers are increasingly seen as tools through which to communicate with consumers. Influencers develop closer bonds with their followers than celebrities do and tend to cultivate more trusting and credible relationships (Meliawati et al., 2023).

Previous literature on influencer marketing has focused on the features that publications should include to increase influencers' levels of credibility and opinion leadership (Casaló, Flavián, & Ibáñez-Sánchez, 2020; Akdevelioglu & Kara, 2020). In their explorations of these features, the studies focused on content originality or authenticity as factors crucial for increasing influencing capacity (Audrezet & Koles, 2023; Casaló et al., 2020; Lee et al., 2022), although other authors have analyzed the quantity and quality of posts (Tafesse & Wood, 2021; Casaló et al., 2020) and visual and verbal factors (Ki & Kim, 2019; Lee & Theokary, 2021). Yet other research has found that followers' favorable responses toward influencers' publications also depend on affective factors such as influencer-follower closeness, homophily and emotional contagion (Sokolova & Kefi, 2020; Lee & Theokary, 2021) or positive emotions and hedonic experiences (Casaló et al., 2020; Yang & Ha, 2021).

Furthermore, the literature indicates that organizations can achieve their marketing objectives at a relatively low cost by using digital and social media marketing (Pieter et al., 2021). The usage of digital and social media technologies and applications for promoting various products and services is also very common (Pieter et al., 2021). In recent years, TikTok was adopted as a way to reach consumers and influence their purchasing behavior toward specific brands (Fortuna, 2022). The influence of social media platforms such as Facebook, Instagram, Snapchat, Twitter and Messenger on consumers' buying behavior has been widely examined (Sharabati et al., 2022). However, TikTok has thus far received little attention in the literature in comparison with other social media platforms (Kong et al., 2021; Song et al., 2022). Few studies have been carried out to understand the influence of TikTok as a social media platform on consumers. Therefore, this paper focuses on the use of TikTok as a marketing communication platform. This study aimed to achieve the following main objective: To investigate the use of TikTok social media marketing by motor vehicle dealerships (MVDs). Based on this objective, the following research questions (RQs) were formulated:

RQ1: Has TikTok been adopted by motor vehicle dealerships as a marketing platform?

RQ2: How is TikTok as a social media marketing tool used by motor vehicle dealerships?

### 3 Methods and Data

The research was aimed at gaining an understanding of motor vehicle dealerships' use of TikTok as a social media marketing platform. An exploratory qualitative approach was followed in order to address the research objective. Malhotra (2010) points out that an exploratory research design is useful when the researcher requires more information about a specific problem, an opportunity, or a phenomenon. More specifically, the purpose of using a qualitative approach is to collect data more effectively and to gain richer information by enabling the participants to express their opinions and share their experiences with regard to barriers to service innovation in service organizations, in this case MVDs. To collect the data for this study, in-depth semi-structured interviews were conducted with marketing personnel involved in the planning and implementation of the marketing communication activities of the selected motor vehicle dealerships (MVDs). In qualitative research, an in-depth interview entails a discussion between the researcher and the participant, using an interview guide or interview schedule with open-ended questions (Malhotra, 2010). During the interviews with the participants in this study, the researcher used a research guide containing research questions regarding both internal and external barriers that could impede the implementation of service innovation activities. After the data-collection period, the audio recordings were transcribed for data analysis to take place through content analysis. A purposive sampling method was used in this study. This means that participants were selected because of some defining characteristics that made them the holders of the information/data needed for the study (Tustin et al., 2005). Twenty participants from twenty different MVDs selling both new and used vehicles were targeted; eventually 12 of these people participated in the study.

The target population for the study was the MVDs operating in the City of Tshwane, South Africa. The researcher used the internet to search for a list of MVDs in South Africa from the web database of the Retail Motor Industry Organisation (RMI). The RMI member list contains the contact details of registered accredited MVDs operating in South Africa (Retail Motor Industry Organisation, 2019). The researcher then contacted the MVDs operating within the borders of the City of Tshwane, South Africa. The managers of the MVDs were chosen as the unit of analysis, since they were the most likely to be able to answer the research questions of this research. As stated, 12 participants participated in this study, of which ten were managers of MVDs and two were senior sales executives involved in the sales and financing of motor vehicles in their respective MVDs. This number was sufficient to generate a finding, as the researcher in a qualitative study is permitted to use a small sample (Brynard & Hanekom, 2006). The responses of the 12 participants were transcribed in order to convert the raw data into a meaningful form for the subsequent interpretation of the data. Qualitative content analysis was used, as it was ideal for the purpose of this study, which aimed to understand the use of TikTok by MVDs. Leedy and Ormrod (2014) explain that content analysis involves a detailed and systematic examination of contents for the purpose of identifying patterns and themes. ATLAS.ti version 8 software was used to identify themes during the analysis of the qualitative data.

The researcher adhered to the principles of ethical research conduct in terms of transparency, confidentiality, credibility and trustworthiness during the data collection, analysis, interpretation and reporting, as advised by Yin (2014) with regard to consent, objectivity, honesty and integrity, credibility, reliability and truthfulness in reporting and the interpretation of data. In all cases, the participation was voluntary, and no incentive was offered to the participants. The trustworthiness or validity of the qualitative data was considered in the data analysis to avoid bias in interpreting the data.

## 4 Results

The study found that motor vehicle dealerships had adopted TikTok as a marketing tool to generate leads, advertise services such as vehicle stock, special offers, share key features of vehicles, and maintenance services. The following quotes from participants justify these findings:

*TikTok appears as an entertainment internet tool that we use to inform potential customers about the new arrivals of vehicles in our dealership.* [Participant 2]

*In our vehicle dealership, we use TikTok to inform our target audience about our appealing motor vehicles by explaining the key features of these vehicles.* [Participant 3]

*TikTok has offered us as motor vehicle dealerships an opportunity to share pertinent information with our customers about our special offers. In other instances, we share information with our customers regarding specials on vehicle maintenance services.* [Participant 8]

*We are using TikTok to share short videos of the vehicles in our stock in an enticing manner to attract customers to our dealership. In our short videos, we share details on the price of vehicles we are advertising and our contact details, including our location.* [Participant 11]

*TikTok provides an existing opportunity to advertise our services as dealerships; however, it is not easy to measure its effectiveness.* [Participant 12]

According to all the participants, TikTok is used to share information on the vehicles in their stock. Participant 2 indicated that TikTok is used as an entertainment tool to share information with target audiences on new vehicle arrivals or stock. According to participant 8, TikTok is used in the dealership to share information with our customers regarding specials on vehicle maintenance services. Participant 11 alluded that short videos are used to share information on the prices of vehicles, contact details of the dealership and the location. However, participant 12 argued that it was rather difficult to measure the effectiveness of TikTok as a marketing tool since there are no measurement metrics.

## 5 Conclusions

The finding of this study adds insight to the literature by establishing that TikTok is indeed being used as a new marketing communication tool, albeit one which has not been sufficiently researched. This finding highlights the use

of TikTok as a marketing communication tool as described by Fan and Hemans (2022), who noted that sharing short-video visuals were likely to attract potential customers' attention. These findings add insight to Based on the findings of the study recommends that the managers of motor vehicle dealerships should use questionnaires as a tool to find out from their new customers whether they got the information about their vehicles or services from the TikTok marketing videos as measurement tool. In addition, the managers of motor vehicle dealerships should shorten their TikTok videos in order to increase the viewership to make viewing on videos cheaper considering high cost of data in countries such as South Africa.

This study gathered data from motor vehicle dealerships' personnel. Therefore, future studies could explore customers' perceptions on the use of TikTok as a source of information regarding dealerships' services. In addition, future research could be extended to other sectors of the economy and other developing countries to gather data on how TikTok is being utilized as a marketing communication tool.

## 6 Authors

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