

# Research on the Operation Mode and Monetization Mechanism of Enterprise Private Domain Traffic

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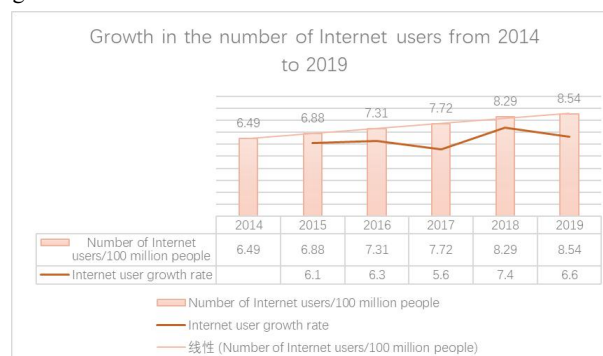
**Abstract:** Nearly 80% of private domain operators are conducting marketing layouts, and private domain operations have been transformed from a "non-essential" option in the past to a "must-have" option for the development of current brand owners. As enterprises gradually attach importance to private domain operations, technical service providers for enterprises to develop private domain operations have also begun to appear in the market. The purpose of enterprises to carry out private domain marketing is to find more cost-effective brand promotion methods in the case of difficult to obtain population traffic, explore how enterprises can use private domain operations to achieve stable development, and ultimately realize traffic realization.

**Keywords:** Private Domain Traffic; Traffic Monetization; Private Domain Operation

## 1. Research Background

The traffic competition of Internet companies has reached a white-hot stage. In recent years, Internet technology has been popularized. In 2021, the game between private domain traffic and public domain traffic will become more and more intense. Private domain operation has become an option for various leading industries to seek better development opportunities. As of the first half of 2019, the number of Internet users in China was 854 million, and the number of mobile Internet users was 847 million. The penetration rate of Chinese Internet users has exceeded 60%. The Internet has entered the era of stock user operation, which also means that the Internet penetration rate is gradually increasing. The incremental dividend of population flow basically disappears. Major manufacturers have also transformed their goals from traffic growth to traffic retention, and the increase in costs has forced companies to seek more effective marketing models. The essence of private domain operation is to operate for consumers, and the overall development and adaptation depend on the development of current social platforms. Compared with the public domain marketing in the past, the private domain operation model has certain development advantages, but it cannot completely replace the public domain traffic operation, and the two show a complementary trend. In the operation process, brand owners can not abandon the basics and focus only on operational means, while ignoring the value of the brand itself.

Figure 1 Growth in the number of Internet users from 2014 to 2019



Building a private domain traffic pool for an enterprise has become an indispensable success factor for future enterprise development, which is also the choice for enterprises in the digital economy era. Operators that dominate the private domain traffic construction process need to actively adapt to the ever-changing market and find the emotional needs of customers, so as to attract customers for a long time. To trace the source of the realization of private domain operations, it is necessary to master a large amount of traffic. Putting different advertisements, KOL effect, the operation methods that these companies often use, the ultimate essence is to attract more traffic.

## **2. Literature review and prospect**

According to the research of different scholars, the Internet has had a huge impact on all offline real economy enterprises. The construction cost of private domain traffic is low and the benefits are considerable. In the actual operation process, the construction of private domain traffic is also Enterprise development provides different directions of development. This article aims to combine private domain traffic research with offline enterprise development, explore marketing strategies in the process of enterprise development in the new era, and explore feasible ideas for enterprise development.

### **2.1 Private domain operation research**

After several years of development and precipitation of private domain traffic, more companies have shown the tendency to build private domain traffic pools. In the process of constructing private domain traffic pools, the development focus of enterprises must be how to attract more users and adopt more appropriate methods and strategies including content marketing. The development of these goals is essential to fully advance private domain operations. (Wang Qing, Tian Yilin 2020) Private domain traffic pool, as a traffic pool on a closed platform, the construction of traffic pool should rely on the trust of users. Different modes of private domain operation are bound to be based on meeting the needs of different users. above. (Wu Fengying 2022) Judging from the current development situation, private domain operations may become a competition track for business enterprises in the future. This puts forward requirements for more enterprises. Enterprises need to sort out and analyze various aspects such as private domain marketing value and operation management mode to promote the construction of market environment. In the private domain operation model, the enterprise will deposit the traffic attracted from the public domain inside the enterprise, and these users have higher loyalty to the enterprise. In order to ensure the efficient precipitation of traffic, enterprises often adopt different operation modes for different users to accurately grasp the needs of consumers and achieve traffic retention. (Xue Ke, Yu Mingyang 2022)

### **2.2 Research on user relationship in private domain**

When users are in the public domain platform, weak relationships generally appear between users and users and between users and merchants. The process of creating a private domain traffic pool is to strengthen the relationship between users and merchants, and transform them from weak relationships. for a strong relationship. In terms of user loyalty, compared with users in public domain traffic, users in private domain traffic pools tend to show higher loyalty to companies and brands (Qiu Linan 2020). The users in a mature private domain traffic pool as a whole should show a strong relationship with each other, high viscosity, and long-tail communication as a channel. As the core of private domain traffic construction, the relationship between users is also one of the important criteria for judging whether a private domain traffic pool can develop sustainably (Zhao Zhechao, Hao Jing 2019). There is no doubt about the importance of strong user relationships for the construction of private domain traffic of enterprises. Enterprises should also choose an appropriate operation model for strengthening related relationships.

### **2.3 Research on the realization of private domain traffic**

During the research process, related articles mostly focused on the management mode of the enterprise for the traffic pool, and explored how the enterprise realizes the realization of the private domain. After building a private domain traffic pool, enterprises can reap social effects and economic benefits through refined operation management, and realize sales to bring benefits (Wang Yijiao 2021). Private domain traffic can bring a variety of benefits to merchants. Among them, it is common to use the guidance of Internet celebrities to promote more consumers to understand related products, encourage consumers' consumption behavior, and advertise for users to profit from advertisers. Users in private domain traffic have a certain degree of homogeneity, and on this basis, merchants can provide more accurate services for user groups, which is conducive to promoting consumer consumption and attracting more users with relevant characteristics to join In the private domain traffic pool, more traffic can also bring more advertising partners, and realize the realization of multiple means of merchants (Nie Shujiang 2020). At present, the world is facing more challenges, and enterprise development needs to pay attention to user feedback. Therefore, more companies tend to cooperate with various live broadcast platforms when selling products, and use anchor traffic to sell products and realize monetization. (Haoyu Liu, Shulin Liu, 2021)

### **2.4 Private Domain Performance Research**

After dividing different users and guiding users into private domain traffic pools, companies can often use lower-cost marketing models to more efficiently promote traffic growth and user consumption. In terms of marketing methods, private domain traffic operation has the advantages of lower customer acquisition cost and more conducive to establishing a deep relationship between the two parties than the public domain traffic operation of merchants in the past. From the perspective of corporate profits,

private domain operations as a whole have a promotion effect on consumer consumption frequency and an upgrade effect on related industries (Wu Fengying 2022). The Internet provides huge opportunities for industries that use traffic to develop, and has a role in promoting the development of the industry as a whole. (Stephen Barabas, 2013)

## **2.5 Research review**

The continuous attempts of enterprises to operate in the private domain have also driven the economic development of related industries. In order to quickly obtain a large amount of traffic, merchants often rely on the influence of KOLs who already have a certain fan base. Private domain traffic is mainly concentrated on online platforms. Merchants will actively cooperate with accounts with a certain fan base, attract fans through KOLs and KOCs on the platform, and then convert the fans of these accounts. Based on their trust in the leader, fans will also have a sense of trust in the company's products, and eventually form an independent semi-closed traffic loop in the company's private social group, where different users exchange information. In this type of cooperation, merchants can quickly attract users and promote product sales, and holders of relevant KOL and KOC accounts can get rebates from merchants, achieving a win-win situation. In response to the transformation operation model, some scholars (Wang Fengquan, Jiang Jihai 2021) also put forward development opinions on related models, aiming to promote the long-term sustainable development and growth of related models in the future.

## **3. Operation mode of private domain traffic**

The concept of private domain traffic originated in the e-commerce industry. It has many advantages, such as low cost, strong ability of enterprises to control themselves, and contact with users, which is favored by enterprises. In order to attract more traffic to settle in, enterprises often adopt different operation modes for users to achieve the effect of traffic retention.

### **3.1 Traffic harvesting operation mode**

In this type of operation mode, merchants continue to obtain traffic by outputting high-quality content. Among them, the operation mode of the well-known Douyin short video platform is the traffic harvesting mode. The Douyin platform is divided into two modes in the output of video, one is PGC led by the official production, and the other is UGC mainly produced by users. The two kinds of videos ensure the diversification of content in Douyin, and the two sides jointly bring more novel experiences to users. Douyin will increase the promotion of high-quality videos, and users can swipe a large number of popular videos on Douyin. As a traffic-oriented platform under strong operation, the Douyin platform uses algorithms to screen and recommend content that the public is interested in, bringing huge traffic to itself. The producers of PGC content under the platform are often top talents in their industry. Professional technology makes their video content more valuable and can meet the needs of audiences for learning knowledge in addition to entertainment. The core of PGC content is to increase influence and attract audiences with different preferences. When the number of people concerned in related fields increases, it is possible to attract more potential producers of PGC content, forming a virtuous circle and bringing more traffic to the platform.

In the UGC content production model, the Douyin platform will launch some new models to attract users to spontaneously participate in related topics. Allow users to create their own creations under the limited topic, which can limit the content of the video, not make the topic look too cluttered, and allow users to have a stronger sense of participation. Due to the limitation of professional ability and literacy, most of the video content of the participants will be related to the daily life of the participants, making the video viewers feel more immersive. Participants have a relatively independent creative environment, which also diversifies the video content under the final topic and can meet the viewing needs of viewers with different preferences.

### **3.2 Lead service-based operation mode**

In this type of operation mode, merchants will build private domain scenarios for users, provide users with centralized services, and finally achieve high user retention rates. In the future, the private domain ecology will continue to grow and develop. How to enhance the stickiness between users and develop marketing methods that can better capture the emotional consumption needs of users will become issues for brand owners to consider. In order to refine the operation of users with different preferences, the company cooperates with the platform, and uses big data algorithms to classify users for portraits, so as to efficiently grasp the consumption needs of users. Enterprises cooperate with private domain traffic technology service providers to establish a CDP management platform for consumers, and use data tools to refine private domain traffic operations. In the private domain operation process, enterprises often combine the public domain operation model with the private domain operation, publicize on the public domain platform to expand their influence, and introduce traffic into their own private domain traffic pool. Users in the private domain traffic pool may have a strong relationship with the operator under the operation of the enterprise, and will then spontaneously promote the brand in the public domain, increasing the brand's prestige. A complete brand ecology.

## **4. Monetization mechanism of private domain traffic**

There are many ways to monetize traffic. Enterprises often use different methods to operate according to the characteristics of their platforms to realize monetization.

### **4.1 Content and service payment monetization mechanism**

To realize monetization through the content payment mechanism, the more common way is to output high-quality content to their fans to account holders with relevant literacy, and pay platform fees. On the Internet, most fans pay more attention to the emotional value of products. In the process of watching related content, fans can gain a sense of participation and collective identity. Satisfying the emotional needs of consumers is also an important way to promote consumer consumption. At the same time, these paid content often have high professional quality and can impart knowledge to fans. Network practitioners who pass on knowledge to earn fees tend to have some success in their area of expertise and have unique insights. They will sort out some knowledge that the public wants to know, and finally turn it into data for others to learn and research. For example, on some teaching platforms on the Internet, users who want to learn need to pay a certain fee to practitioners to watch the content. This knowledge can often meet the rigid needs of a group and improve their personal abilities, which is also the basis for selling knowledge.

Platform payment generally refers to the self-media people who have signed relevant contracts with the platform. They work for the platform and can earn income directly after producing and publishing the content. The platform can get more users' attention with the help of the traffic from the We-media people's accounts. This type of revenue-generating method generally requires the popularity of the account that publishes the content, and the reading volume of the account will be regarded as the criterion for determining whether an account can obtain payment from the platform. Some self-media people will use articles to introduce an idea. In the process, after enough people watch, self-media people can also realize monetization in this way.

In the business model of content monetization, the preferences of users are particularly important, which will have a direct impact on the economic benefits of the accounts that publish the content. Therefore, how to better attract the audience and retain the attention of users is a question that every relevant practitioner must think about, and it is necessary to pay attention to the quantity and quality of content output. As a platform operator providing a platform, the entry of influential accounts will bring more attention to the platform and ultimately achieve a win-win situation.

### **4.2 Advertising monetization mechanism**

Advertising monetization is a very common form of monetization. App developers are often the audience for ad monetization. Many apps cooperate with different advertisers, and after users in the app click on the advertisement, the operator of the app can get revenue. Taking the Douyin short video platform as an example, when Douyin is opened, users will see advertisements, while open-screen advertisements generally exist in the form of graphics or short videos, and Douyin will release links to relevant advertisements, allowing users to better buy its advertisements related products and services. In addition, Douyin also has topic-embedded advertisements, which are generally promoted and launched after Douyin cooperates with other brands. At the same time, Douyin uses big data on the preferences of its users, records users' browsing records, and judges and recommends topics that customers may like and pay attention to for a long time. Douyin accounts are often combined with "advertising video revenue generation". When the operator of the Douyin account publishes an advertising video on Douyin, the audience base of the Douyin account can effectively promote the goods and services in the advertisement, expand the audience of the advertiser, and promote the advertisement. Because of the well-made advertisements and good publicity effects, this type of advertisement can also bring a lot of advertising revenue to the anchor. In addition, Douyin has also developed a revenue-generating model of "Douyin + E-commerce". Douyin will cooperate with other major e-commerce platforms to launch product links of e-commerce platforms within the platform, and there will be high-quality anchors and platforms to cooperate. Promote products on the platform. With or without interoperability between platforms, fans can also be transformed into each other, forming a good mechanism for monetizing fan traffic. This also better stimulates the innovation of creators and brings more traffic to the platform. In order to attract more advertisers to choose to cooperate with the platform, the platform also needs to attract more traffic.

## **5. Summary and Recommendations**

Efficient realization of traffic monetization has become the only way for the development of various Internet industries. In order to realize efficient traffic monetization, it is far from enough to obtain a large amount of traffic in a short period of time. Every industry needs to be more firm and faithful, and to deposit and introduce traffic into its own private domain traffic pool. In the future development process, if major companies want to develop better, they will face the loss of some customer traffic, and it is difficult to realize the problem of efficient realization.

Different companies need to find their own operating model. For platform companies, how to find a suitable operation model so that the company can quickly introduce public traffic into its own private domain traffic pool, so that it can grow in a long-term and stable manner. In the epidemic era when private domain traffic is valued by more merchants, both well-known brand merchants and individual vendors are expanding their private domain traffic pools, striving to create an ecological balance and realize private domain traffic realization. The realization of private domain traffic is closely related to the expansion of brand influence by brand owners.

Users with different preferences have different needs and need to adopt different operating modes. This paper selects some current consumers' choices for different brands, and combines consumer feedback to study the creation of private domain traffic pools by merchants and brands, as well as the operation mode in the process of building traffic pools. For different enterprises and platforms, this article studies how they obtain traffic, how to ensure traffic retention in the future, and finally realize the realization of private domain traffic. Through research reports of different scholars combined with actual data analysis, it can be found in the process that for brand owners, unique communities will be established in the process of attracting traffic, and different communities will also have different brand cultures. According to the research of American scholar Randall, in order to produce "group solidarity", it is necessary to connect the emotions of both parties, and enhance each other's attention, so as to achieve coordination in the process of communication. Through continuous participation and exchanges, the two sides have established a more stable connection.

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