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An Exploration of the Development of Digital Marketing in China's Traditional Cultural Industry

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Abstract. Digital technology is profoundly changing the way Chinese traditional culture is disseminated and the industrial structure. The use of digital marketing models to transform and upgrade traditional cultural industries has received widespread attention. Due to the influence of the complexity of traditional marketing theories and cultural connotations, there are still deficiencies in actual operations and collaborative marketing. This article analyzes the opportunities, challenges, and paths facing the development of digital marketing in China's traditional cultural industries. The study found that digital technology enables traditional culture to be effectively disseminated through social media platforms, but it also brings new challenges such as the difficulty of digital transformation of cultural content and the susceptibility of consumers to cognitive biases. Based on this, this article proposes to build a digital IP and multi-platform collaborative marketing development strategy with the support of national policies, and to achieve a positive interaction between technology, content and consumers through the exploration of precision marketing.

Keywords: Digital Marketing, Traditional Culture, Cultural IP, Social Media Platform

1. Introduction

Driven by the digital economy and the goal of building a strong cultural nation, "Internet Plus" has become a hot topic across society. The widespread application of artificial intelligence, big data analytics, and marketing automation is profoundly transforming the methods, media, and scenarios for disseminating traditional Chinese culture, ushering in new opportunities. Furthermore, Generation Z consumers, influenced by the digital world and their consumer behaviors and motivations, are increasingly favoring Hanfu (Chinese traditional clothing), traditional Chinese music, and intangible cultural heritage crafts, injecting new vitality into the revival of traditional culture. Zhou Chao pointed out that the influence of traditional marketing models on consumers is weakening, while the impact of the digital society on consumer behavior and product perception is becoming increasingly significant [1]. Zhang Wei and Wu Jingqi's research also emphasized that the digital cultural industry's operating income in 2020 increased by 9 percentage points compared to 2019 [2]. However, as the digital transformation of culture accelerates, how to effectively disseminate traditional culture in a modern context and how to leverage digital marketing to enhance its brand influence and market value have become critical issues that urgently need to be addressed. While digital platforms have shifted consumers' cultural perception online, they have also brought

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challenges such as simplified content and audience misinterpretation. Based on this, this study aims to analyze the opportunities and challenges facing China's traditional cultural industries in the context of digital marketing. Relying on social media platforms, this paper further proposes feasible digital transformation paths and marketing strategies for building brand loyalty and expanding consumption power in traditional cultural industries, in order to provide reference for building a cultural industry development model suitable for the digital age.

2. Opportunity

2.1. Digital technology empowers cultural communication

Due to the rapid development of cutting-edge technologies such as big data and blockchain, consumers are more inclined to interact with culture through social media such as TikTok and Red note. The digital marketing development of China's traditional cultural industry is based on digital technology and digital media, promoting products and services through digital communication channels, and broadening the breadth and depth of cultural communication [2].

Social media marketing, as a branch of search engine marketing, conducts online interactive marketing through various Internet devices and social media platforms, which has greatly lowered the threshold for the dissemination of traditional culture and enabled it to reach global audiences more efficiently [3]. Social media advertising is a form of social media marketing where it can pay social media companies are paid to display the content they want to convey [4]. Through short video platforms and live broadcast platforms, intangible cultural heritage craftsmen, folk music performers, calligraphers, etc. can directly demonstrate their skills to the public and use efficient communication mechanisms to attract traffic, which is particularly effective for the brand building and sales conversion of traditional culture [5]. At the same time, to achieve the "going global" of traditional culture, cross-border e-commerce and overseas social platforms such as YouTube, Instagram, and Facebook are used to provide direct channels for Chinese-style brands, Hanfu companies, tea manufacturers, etc. to enter the international market.

Digitalization, intelligence, and experiential learning have given traditional culture new ways to experience it. Since 2019, the Palace Museum has launched the "Digital Relics Library," an online digital cultural relic project. Using VR technology, users can "walk into" historical scenes and view high-definition digital images without leaving their homes. As of May 2023, the Palace Museum has exhibited over 100,000 cultural relics through the "Digital Forbidden City" project, generating over 33 million views and effectively improving the efficiency and conversion rate of cultural dissemination. Targeting the international market, the "Digital Dunhuang" resource library has attracted 22 million visitors from over 78 countries since its launch, enhancing the dissemination and influence of Chinese culture.

Digital technology is further developing diverse commercialization models for traditional cultural industries. During the booming real economy, the commercialization of traditional culture often relied on single channels like ticket sales and physical merchandise sales. However, in the context of digital marketing, cultural IP can be extended through various formats, including film, television, animation, and games. Based on the "Digital Dunhuang" platform, over 30 digital Dunhuang exhibitions have been held domestically and internationally, and over 60 cultural derivative products have been developed. These cultural and creative products, with their brand-enhancing value, are being launched to realize commercial value and broaden cultural dissemination channels.

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2.2. National policies enhance cultural confidence

The important role that culture plays in the development of human society has elevated cultural confidence to the level of national strategy, making it an important support for the dissemination of Chinese traditional culture abroad. In 2020, the Ministry of Culture and Tourism launched the "Opinions of the Ministry of Culture and Tourism on Promoting the High-Quality Development of the Digital Cultural Industry". To help the development of the digital cultural industry in their provinces (cities), 29 provinces and cities across the country immediately released their digital cultural industry development goals and plans [6]. China continues to increase investment in public cultural facilities and gradually improve the multi-level public cultural service network covering urban and rural areas. Beijing has proposed to achieve digital libraries, digital cultural centers, and digital museums covering the entire region by 2035, and Guangdong Province has proposed to cultivate digital creative industry clusters [6]. To achieve the "creative transformation and innovative development" of traditional cultural industries, China's cultural market has seen the emergence of a number of cultural masterpieces with both social and economic benefits. Furthermore, to strengthen the international dissemination of Chinese culture, and based on a firm stance and confidence in Chinese culture, China is promoting the "globalization" of its cultural products and values through the signing of cultural cooperation agreements and the establishment of overseas cultural centers. Based on this, a pattern of spreading Chinese traditional culture through dual channels at home and abroad has quietly taken shape.

3. Challenge

3.1. The difficulty of digital transformation of cultural content

The expression of traditional culture includes multiple elements such as history, aesthetics, and folk customs. Due to the high artistry and unique cultural context of Chinese culture, the cultural connotation can be easily simplified or even misinterpreted during the digital conversion process. Some short video platforms focus solely on the glamorous appearance of Hanfu clothing when presenting it, while ignoring the dynasties, systems, and rituals behind it. This creates a disconnect between visualizing and understanding Hanfu culture. The multi-track content system, which spans from popular to advanced and then to professional, is currently only available on platforms like the National Public Culture Cloud. At this stage, digital technology is unable to achieve an accurate artistic translation of cultural content. Technical distortions, including insufficient resolution, color reproduction errors, and missing details in 3D reconstruction, can render a work "beautiful but inaccurate. "Digital reconstruction of cultural relics, ancient books, and performing arts requires extremely high technical barriers. The Palace Museum Digital Museum faced early challenges such as inaccurate color reproduction and interactive delays. Similarly, digitization projects at some local museums, lacking technical investment and professional teams, often only offer low-resolution image exhibitions that fail to engage or immerse audiences. High-quality immersive interaction also comes with high costs and computing power. Maintaining a stable experience with large-scale access presents a real challenge for platforms in terms of retrieval, rendering, storage, and distribution. Furthermore, cultural and museum organizations currently have a gap in applying the professional principles of "restoring the original with minimal intervention" to the digitization of archival materials. The digitization of traditional culture also raises questions about ownership rights among multiple parties. For example, intangible cultural heritage and folk art involve the interests of multiple parties, including inheritors, local governments, and operating platforms. Unclear

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ownership and unclear revenue distribution can directly impact sustainable operations, leading to content removal and hindered dissemination. Furthermore, the profit model for the digitization of traditional culture is not yet fully mature. Without data assetization methods such as standardized data collection, transparent licensing chains, and revenue-sharing mechanisms to improve long-term operational efficiency, project quality and operational cycles will face new challenges.

3.2. Consumer cognitive bias

In terms of marketing, the essence of marketing is to understand consumers [7]. In the digital environment, as the focus of marketing shifts from the "supplier perspective" to the "consumer perspective", consumers begin to dominate the exchange process [7]. This means that the digital marketing development of China's traditional cultural industries is directly influenced by consumer needs, preferences, and behaviors. However, due to differences in cultural background, education, media usage habits, and consumer psychology, consumers often experience cognitive biases when understanding and accepting traditional cultural content. This cognitive bias, to a certain extent, undermines the market performance and social dissemination of cultural products. Thanks to the strong dependence of Generation Z on the Internet and their rich digital life experience, the development of digital technology has made young people the main audience for the digital dissemination of traditional culture [1]. However, there are significant differences in cultural awareness between young consumers and older generations. Young consumers tend to engage with traditional culture and social life through new media platforms like Bilibili, TikTok, and Weibo. These fragmented channels of exposure to traditional culture leave them with a superficial understanding of cultural connotations. Meanwhile, middle-aged and older adults are significantly less adept at learning new media and prefer a slower pace of presentation. Middle-aged and elderly people tend to distance themselves from digitally disseminated cultural content out of self-protection, hindering the cross-generational dissemination of traditional culture. This audience differentiation makes it difficult for cultural digital marketing to address the cognitive needs of different groups, limiting its effectiveness.

The penetration of consumerist thinking brought about by commercial operations can easily lead to cognitive bias. The herd mentality makes young people prefer to buy cultural and creative products that have been approved by the market [1]. The quality and popularity of cultural and creative products are marked by their sales volume and popularity [1]. When traditional culture is massively transformed into commercial symbols, consumers view consumption of traditional culture as an additional experience to purchase, thus diluting the value of the culture itself and the deeper meaning of its dissemination. Digital marketing's high demand for traffic can easily lead to cultural content being packaged as "fast-food" products for dissemination. While entertainment-oriented dissemination can appeal to consumers' curiosity and consumption habits, it can also lead to the alienation of cultural information.

Consumer cognitive biases may also stem from differences in educational background and region. First- and second-tier cities offer abundant educational resources and infrastructure, providing consumers with ample access to systematic cultural knowledge. Cultural literacy, influenced by the cultural environment, provides a solid foundation. However, some consumers in third- and fourth-tier cities and rural areas often rely on fragmented online information to absorb traditional culture. Consumers' stereotypes about cultural products are not conducive to targeted marketing and cultivating customer engagement and brand loyalty. As far as cross-cultural communication theory is concerned, due to factors such as differences in other countries' social environment and values, international audiences' understanding of Chinese traditional culture still

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has obvious limitations. Some countries are deeply influenced by the Western mainstream discourse system and tend to label Chinese traditional culture, remaining at the superficial level of impressions such as "Kung Fu" and "Peking Opera masks". International audiences often interpret traditional Chinese culture within their own cultural context, and differences in media environment and language further weaken the complete transmission of cultural connotations.

4. Development path

4.1. Creating digital cultural IP

With the development of the digital economy, the core competitiveness of the cultural industry has shifted from single content supply to systematic operations driven by brand culture. Brand culture influences and aggregates consumers who highly identify with products and services by giving them cultural connotations and spiritual values. Brand culture is the core asset that distinguishes a company from its competitors and ensures the enduring vitality of cultural products in the modern market. In terms of enhancing the recognition and appeal of brand cultural symbols, creating digital cultural IP is the only way for the transformation and upgrading of the cultural industry. The key to building cultural IP with traditional cultural content lies in building on the cultural core, providing a unique and forward-thinking digital experience to achieve an emotional connection with contemporary users, and standing out from competitors to gain a competitive advantage [8]. For example, Confucianism, one of the excellent traditional Chinese cultures, emphasizes the cultivation of people's moral qualities and promotes their all-around development [9]. If a brand wants to build a virtuous cycle of dual growth in cultural significance and commercial value, it must insist on implanting cultural connotations into its products.

Digital marketing is undergoing a revolution. Emerging technologies such as virtual reality and artificial intelligence enable the cultural industry to provide customized customer experiences and marketing information to consumer groups, significantly improving consumer interaction experience [10]. To achieve the digital development of traditional cultural industries, cross-border cooperation, linking to the To C market, and strengthening overseas exchanges will all help to improve the industrial structure. The cultural industry can be deeply integrated with film and television, games, animation and other fields, and infiltrate traditional cultural elements into more consumption scenarios. For example, "Nezha" is an attempt by social capital to create a cultural IP has unexpectedly gained market recognition for its cultural creation based on ancient Chinese myths and legends. Big IPs like "Nezha" can achieve closed-loop operations from creative development, product design to marketing promotion, forming a full-chain industrial layout. In the digital age, users have become a vital force in the co-creation of cultural IP value. In the digital age, users can co-create the value of cultural IP through social platforms such as YouTube, Instagram, and Facebook, thereby achieving interactive profit creation. This bottom-up dissemination method can enhance the community stickiness of IP and focus on a large number of customer groups with little profit or value to achieve a long-tail effect. Under the background of China's cultural "going global" strategy, the cultural industry should build digital IP with a global strategic vision and focus on cross-cultural communication and value translation. Chinese cultural IP should have a pattern of inclusiveness and cultural exchange, transforming strong external pressure into an effective internal driving force, and establishing a unique cultural brand image worldwide [10]. For example, a Chinese game called "Black Myth: Wukong" became a phenomenal hit in 2024, with sales exceeding 23 million copies on the Steam game platform. "Black Myth: Wukong" takes "Journey to the West" and Sun Wukong, the IP that best represents Chinese culture, as its entry point, and

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integrates the freedom and openness commonly seen in European and American games into the design of game links, winning the favor of consumers at home and abroad.

4.2. Traffic platform collaboration to achieve precision marketing

Driven by the digital economy and new media environment, traffic has become a key resource for promoting the dissemination and monetization of cultural industries. Traffic platforms themselves have a vast amount of user behavior data, interest preference data, and consumption path information. Therefore, traffic platforms can use big data analysis to gain in-depth insights into customer behavior, preferences, and market trends [8]. This data-driven strategy can effectively improve precision marketing, optimize promotion effects and assist decision-making [8]. Traffic platforms collaborate to achieve precision marketing and maximize profits. Currently, each platform has different user groups and communication scenarios. The dissemination and consumption of cultural products requires a series of steps, including awareness, interest, participation, purchase, and repeat purchase. Different platforms have their own advantages in this chain. This makes it difficult for a single platform to meet the needs of a diverse audience. Therefore, when the cultural industry optimizes its marketing performance and establishes a competitive advantage, it should achieve content complementarity and traffic synergy through multi-platform linkage, and ultimately guide consumers to convert on e-commerce platforms. Through platform collaboration, the cultural industry can shift public traffic to private domains, retaining users through private communities and building long-term, sustainable marketing assets. This allows companies to gradually break free from their heavy reliance on traffic from a single platform, further increasing user repurchase rates and brand loyalty, and establishing a more stable development path.

5. Conclusion

The development of the digital society has changed the marketing methods of China's traditional cultural industries. As society tends to be online, digital marketing provides new opportunities for the dissemination of traditional culture with the help of digital tools and digital platforms. Digital marketing strategies are beneficial for expanding audience reach, particularly among young people and in international markets. However, there are challenges in the communication process, such as superficiality and consumer cognitive bias. Based on this, the digital marketing development of traditional cultural industries should adhere to the balance between cultural confidence and digital empowerment, and continue to explore the precision and market segmentation of the digital cultural industry.

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