

Research on the Overseas Operation Strategy of Chinese Platform

-A Study Case of TikTok

Qingyu Chen^{1,a,*}

¹Department of Economics and Management, Wuhan University, Wuhan, 430000, China
a. 2021301051184@whu.edu.cn

*corresponding author

Abstract: The strategic approach of TikTok to achieving continuous expansion in international markets is one of the topical issues of interest in society today, and some researchers have found that the strengths of TikTok in capital operations, localised operations and content production models have had a significant impact on its success. However, there is a lack of a unified explanation of the potential problems behind it and possible responses to it. The aim of this paper is therefore the risks involved in the overseas operations of TikTok and offers suggestions for corresponding strategies. The research methodology of this paper is as follows: firstly, we introduce the current situation of TikTok, the subject of the study, and then we explain the four problems of the cross-border development of TikTok in a logical system of "what - why - how". This paper has found that the trend of homogenisation of content, lack of protection for young people, data security concerns and copyright licensing are the main issues affecting the stable development of TikTok. The research identifies specific issues that TikTok should address and suggests some measures that can be taken.

Keywords: TikTok, overseas marketing operations, short video marketing

1. Introduction

With the rapid development of Chinese internet companies, a number of social media brands have emerged that have a strong influence in China and even internationally. Among the many Chinese Internet applications that have embarked on the path of internationalization, TikTok, the short-form video platform that has taken the world by storm, is a typical example of success. This new media format has become the darling of the times, which has further triggered a "video shift" in global social media.

At present, Chinese short-form video companies going abroad has become an inevitable trend in the development of the social media industry. Therefore, studying the overseas operational decisions and strategies of Chinese short video brands is a useful way to expand the influence of Chinese internet enterprises on the global internet stage.

This paper focuses on the strategies adopted by TikTok in its internationalization process and summarizes the resistance and problems encountered in its overseas operations in the context of TikTok's current overseas development. This paper then proposes suggestions for optimising

TikTok's future global communication strategy in order to further enhance its brand value. In addition, this paper helps to provide insights for Chinese internet companies going abroad based on TikTok's successful experience.

2. Literature Review

The global expansion of China's Internet platform has always been a research topic of more concern in the academic community.

Domestic academics are committed to using TikTok as a model to analyze its strategy for successfully going abroad. Under the theoretical framework of opportunity emergence and opportunity identification, Li Li et al. put forward positive countermeasures for Chinese Internet products such as TikTok when faced with resource constraints [1]. Wang Runyu and Wang Xiran explored how Chinese social media could catch up with other global platforms quickly through strategies such as product technology, capital operation, and localization in the context of accelerating globalization [2]. Guo Jin provided suggestions for the transformation and upgrading of China's digital culture industry by reviewing the development history of TikTok [3]. Wang Peinan and Shi Anbin, under the guidance of "risk-response" theory, analyzed the multiple risks faced by Chinese Internet enterprises under the rising trend of digital protectionism in global communication [4]. Gao Na expounded in her thesis about the development status of international audiovisual media integration and summed up the successful experience of TikTok under the trend of media integration [5]. She thought high of Tiktok for its content production model that pays great attention to user interactivity. The clever use of big data to accurately provide a source of information as a link to maintain customers is also surprising. Chen Mo and Yang Zhuorui believed that the self-organizing ecology is conducive to TikTok to maintain vitality [6]. Users can learn actively and produce information independently, becoming nodes in a cellular mesh. Lin Yuan et al. used the data of some users from TikTok in the study [7]. The study empirically assesses the efficiency of the two tactics in increasing product traffic for online retailers at a short video app using an endogenous treatment model. KOL and in-feeding advertising also contribute to more overall video exposure.

Foreign scholars Wahid, R et al. investigates the effects of content characteristics (i.e., informational and emotional characteristics), language, and nonverbal information [8]. In their study, TikTok was used as a tool for social media marketing in the context of international brands operating in an emerging market.

The above scholars have made useful research on the TikTok case. This paper synthesizes the above literature and adds to some potential risks the application is faced with. In addition, this essay will discuss how TikTok should improve its business strategy to cope with the problem it has encountered.

3. The Current Development of TikTok

Byte Dance, a Chinese internet startup, introduced the social short video platform TikTok for the global market. TikTok is the main component of Byte Dance's globalization plan. Before entering the overseas market, the parent version of TikTok app was already marketed as the top social media short video platform in China, with a total of 500 million users and 250 million daily active users. TikTok has adopted this "incremental" approach to internationalisation, leveraging the scale of its user base, capital accumulation and market influence. As part of the formal internationalization strategy of Byte Dance launched in August 2017, TikTok was concurrently released in the app stores of numerous nations.

TikTok is at the top of the application download ranking in many countries around the world. In April 2023, TikTok surpassed Facebook, Snapchat, YouTube and Instagram in terms of monthly

downloads on the US apple store and Google Play, according to Sensor Tower, a leading digital and mobile application research firm. TikTok is firmly in the top 10 in all categories of iPhone downloads as well as top 3 of Android devices. TikTok was the most downloaded mobile app in the world in 2022. The short video sharing app generated 672 million downloads in the same year.

The most recent summary provided by data.ai reveals that TikTok is the most popular app for new spending. In the first quarter of 2023, TikTok took the top spot for new consumer expenditure. All markets except India, where the app is prohibited, TikTok receives good market feedback. In France, Germany, Indonesia, the UK, and the US, TikTok is the most popular app for app store spending. It is ranked second in Australia and Singapore and third in South Korea.

In fact, TikTok has surpassed 1 billion active users worldwide back in 2021[9]. TikTok has become the most internationalised mobile internet application product and social media platform launched by Chinese companies [2]. In the five years since its launch, the size of the overseas user base of TikTok has grown rapidly, but behind the prosperous situation, many potential problems have come to light. Problems such as poor-quality control of content, inadequate data security measures and a lack of privacy protection have hindered the sustainable development of TokTok. Investigations and lawsuits have put TikTok in the crosshairs of public opinion for some time.

Overall, the path and strategy of TikTok to become a star product in the global mobile app market within two years provides valuable experience for the international development of other social media in China. At the same time, the negative impact of the failure of TikTok to adequately fulfil the responsibility of the platform operators to protect the privacy of minors and users requires TikTok to take effective measures to change and thus improve its brand image.

4. Analysis on the Problems in Global Communication

4.1. The Problem of Homogenization of Published Content

As a content platform based on User Generated Content (UGC), The core resource of TikTok is the home-made content of internet users around the world. While this model provides users with an autonomous experience based on "use and satisfaction", there are challenges in terms of homogenization of the video clips.

A major drawback of the TikTok content production model is the tendency towards homogenization of content on the platform. TikTok will recommend tailored videos for users based on big data and AI algorithms. The main logic is to fit a function of user content satisfaction, matching user information and this inexhaustible library of video material with each other to push the best solution. The platform collects information about the user's content, age and, when first signing up for an account, TikTok also makes a list of topics to choose from. These steps are used to initially profile the user's basic attributes and areas of interest. During the use of the software, TikTok intelligently detects videos that users have interacted with (liked, commented on, retweeted, etc.) and even videos that users have viewed for behavioral analysis. The platform then sifts through the huge pool of videos and recommends content of greater interest to the user, and so on. Such a recommendation model is a user-centric and personalized solution, however, as preferences are sticky in the short term and do not change easily. This can lead to the platform recommending videos that are always related to specific topics.

In addition, the prevalence of "meme" culture has somewhat suppressed the diversity of content [10]. The introduction of a core topic can generate high levels of buzz and traffic in the early stages and lead to widespread emulation. However, most of the videos that follow the same hot topic are highly similar, which can lead to visual fatigue and even weaken the overall creative energy of the platform. As a result, both the precise recommendation feature and the imitation effect exacerbate the problem of content homogenization.

4.2. Lack of Youth Perspective

Generation Z (the group born between 1995 and 2009) is the first generation of digital natives in human society. Data from a survey in fall of 2021 shows that the fast-growing social video app TikTok ranks second in the US, with 30% of US teens saying it is their favorite, ahead of traditional social media platforms Facebook and Twitter [11]. As the main audience for TikTok, the young group's worldview values are easily influenced by these visual inputs. TikTok is characterized by interactive and entertaining content, so teenagers are easily misled by negative content such as pornography, violence, extreme behavior, and extravagance and waste.

Due to the lack of awareness of special care for minors and the inadequate content audit mechanisms, TikTok has been subject to numerous reviews and lawsuits since its launch overseas. In February 2019, the U.S. Federal Trade Commission fined TikTok \$5.7 million for alleging that TikTok violated the Children's Online Privacy Protection Act. In February 2019, TikTok was demanded by the Bangladesh government for involvement in the dissemination of pornographic content. On April 3, 2019, the Indian High Court in Madras ruled that "TikTok 'encourages pornography, degrades culture' and spreads 'cultural degradation' among adolescents," issuing a provisional order demanding that the government ban the application from being downloaded in India and restrict media companies from using videos in TikTok in television shows [12]. From 2018 to 2019, TikTok had been banned in Indonesia, Bangladesh, Malaysia and other countries for spreading vulgarity and bad culture.

Low-quality video content and neglecting of teenage protection have brought a lot of trouble to TikTok. Although these bans have been lifted after emergency treatment, TikTok will still be subject to endless accusations and censorship if the platform space is not thoroughly cleaned up and the root causes are addressed.

4.3. Information Security, Privacy Protection and Data Nationalism

As the business footprint of TikTok continues to expand overseas, it is under increasing pressure from scrutiny related to data security.

On one hand, it is due to the inadequacy of its own user information protection mechanism. In March 2019, the Federal Trade Commission, or FTC, fined TikTok for improperly acquiring another short-form video platform, Musical.ly. The FTC said that TikTok collected personal information, such as phone numbers or email addresses, from some of its users who were under the age of 13 without the consent of their guardians, and that the actions of TikTok violated US laws protecting digital information of teenagers. In the digital age, information security is a common concern for internet users worldwide. An Internet company that fails to effectively protect the data of customers will reduce the trust of its users and damage its corporate image.

On the other hand, certain countries, due to political considerations, see the internationalization process of Chinese Internet companies as political and cultural infiltration and deliberately cause problems for the development of TikTok. This is ostensibly to maintain national data security, but in reality is a manifestation of nationalism and protectionism in the Internet space. In June 2020, against the backdrop of increased international tensions over the Sino-Indian border conflict, the Indian government suddenly banned TikTok for "undermining the sovereignty and integrity of India, national security and public order". 59 mobile apps with a Chinese background, including TikTok, were banned by the Indian government on the grounds that they "undermine India's sovereignty and integrity, national security and public order"[4]. On March 16, 2023, British Cabinet Office Minister Oliver Dowden told Parliament that "we will ban the use of TikTok on government devices" with "immediate effect," according to Reuters. Dowden made it clear that the use of certain apps should be restricted in the interests of national security, given that government devices may contain sensitive

information. He believes this precautionary measure is appropriate and proportionate. On 17 March 2023, New Zealand issued a similar restriction. Rafael Gonzalez-Montero Day, CEO of the New Zealand Parliamentary Service, announced a ban on the use of TikTok on devices that can access the New Zealand Parliamentary Network [13]. In the face of international legal sanctions and public pressure, the question of how to effectively manage relations with governments is one that TikTok must address in order to achieve sustainable development.

4.4. Copyright Authorization Risks

Proper handling of copyright-related issues is an important reflection of a platform's ability to establish a complete content ecosystem and improve governance. Copyright disputes can not only dampen the enthusiasm and creative energy of creators, but, more seriously, can also lead to legal disputes with the source of the material. Currently TikTok is facing multiple copyright risks with different subjects.

Firstly, the issue of protecting the original content of individual users of the platform. Some very creative works have been copied by others without authorisation and even used for commercial purposes to earn traffic. For some of the platform's celebrities who have a certain fan base, they may consciously adapt other celebrities' ideas for entertainment effect or to pursue innovative forms of expression. The general public is generally less aware of their rights or does not have strong recourse. This malicious plagiarism and the lack of recourse will weaken users' trust in the platform, which is not conducive to its long-term development.

Secondly, there is the issue of copyright with the providers of various materials. Various background music is an essential element in TikTok's short videos. Therefore, it is essential to focus on the licensing of independent composers and music creation agencies.

Recently, the relationship of TikTok together with the three major record companies (Time Warner Music Group, Sony Music Entertainment and Universal Music Group) is becoming more strained. At the end of 2022, the three major record companies and TikTok were engaged in several negotiations over their share of advertising revenue for the whole of 2022, as the record companies were no longer satisfied with the previous buyout model and wanted to enter into advertising share agreements as a guarantee of profitability.

While copyright is a common issue under the “ugc model” , as a leading internet social brand, improving copyright governance is a responsibility that TikTok must assume. The issue may be tricky, but TikTok will set an example for similar companies if it can make a constructive achievement in terms of copyright acceptance.

5. Suggestions on Risk Management Strategies

5.1. Establishing a Sound Content Review and Monitoring Mechanism

In alleviating the problem of content homogenization, on one hand, platforms need to constantly adopt various incentive measures to encourage users to be innovative in their expression. For example, launching a search program for quality short video original creators, with the majority of users selecting the most creative weblebrities of their choice. Some startups should hire experienced curators to give professional creative guidance to their users. On the other hand, a complete content review department should be set up, with well-trained staff working with algorithms to check the quality of videos, retrieve and verify user uploads several times, and aim to output more quality content for users worldwide. Use artificial intelligence technology to help with the review. Clearly defines taboo words in the text and takes into account the cultural characteristics of different countries to exclude slang, colloquialisms and other words with negative connotations in the context of multiple

languages. TikTok must actively assume the social responsibility of the communication media and promote the mainstream value tendencies of society.

The regulatory system can also play a role in protecting the physical and mental health of minors. Platforms should establish an access system and anti-addiction tips for teenage users and set reasonable limits on the length of time they can use short video platforms. Accounts that upload content containing vulgarity, waste, violence and gore should be blocked, and the spread of undesirable information should be firmly resisted. In addition, developing child-friendly apps is a good solution. Set usage restrictions for younger users: get permission from their parents and get an exclusive ID compiled for them by the local authorities. TikTok for children can restrict some of the functions in the full app, such as banning minors from live streaming and banning minors from rewarding hosts. More public service announcements and educational videos could also be introduced on the home page recommendations to encourage children to play more sports, study harder and be more exposed to new things.

In short, TikTok should establish a clear, civilized and sunny space for short video sharing by increasing content regulation.

5.2. Multiple Ways to Improve Data Management Capabilities

Firstly, by bringing in local expertise and actively researching local privacy policies. The platform should have a clear understanding of local laws and taboos and adjust certain content in the app in a timely manner. TikTok is already aware of information security risks and has taken measures accordingly. In late 2019, in order to improve the product's privacy policy, TikTok hired a team from the US law firm Goetz to provide guidance and help the platform become more sensitive to the legal pitfalls in its operations. It also invited Gordon Barth, former chairman of the US House of Representatives Committee on Science and Technology, to provide public policy advice [4]. TikTok has also made larger-scale personnel changes, bringing in many foreign senior executives. For example, Roland Cloutier, a former US Department of Defense official, and Erich Andersen, former chief intellectual property counsel at Microsoft, have been hired as executives [14]. By bringing in more localized media industry professionals, TikTok strives to create a legal team that is highly familiar with local cultural practices and the mindset of the masses. This initiative has helped TikTok to strengthen the protection of user information and adapt to the complex overseas market.

Secondly, companies need to implement more open and transparent data privacy policies and actively cooperate with local digital regulators. Companies can establish local data centers and allow local authorities to access data. At the same time, the level of self-censorship and regulatory efficiency should be improved to ensure a high level of trustworthiness for both upstream and downstream companies related to their business.

5.3. Develop a Set of Copyright Authorization Approach

Firstly, the operations team should identify the root causes of potential copyright disputes by platform users and further develop relevant rules and regulations in a targeted and compartmentalized manner. The focus should be on clarifying the liability approach to protect users' original content from infringement. For example, the platform could open a copyright protection application for quality works, which would display a special logo when the work is recommended to other users, indicating that the video cannot be reproduced freely. To engage with local legal mechanisms to establish a regulatory system for intellectual property protection in the short-form video industry.

In addition, TikTok needs to sign contracts to obtain copyright rights from independent music creators and will need to have clear agreements on the use of music. The platform needs to form good

partnerships with music suppliers such as major record labels, rather than being blinded by current interests.

6. Conclusion

Through the research, this paper finds that there are risks behind the cross-border expansion of the TikTok brand in terms of operational strategy. This can be potentially explained by the following facts. Firstly, the homogenization of short video content, the targeted push model based on user preferences and people's tendency to follow and imitate hot topics have exacerbated this undesirable tendency. Secondly, there is a lack of sound youth protection mechanisms. Some videos contain vulgar, violent and wasteful content, and minors who lack discernment are easily misled and even affect the physical and mental health of children. TikTok has been fined for collecting user data in violation of the law. In addition, some countries have censored or even banned TikTok for political reasons, in the name of national data security. Finally, there is a lack of awareness of copyright licensing on the platform. TikTok has had disputes with three major record labels, which has not been conducive to a long-term, stable music licensing relationship. In addition, some users do not pay attention to indicating the source of reproduction when making their own creations and quote the works of other people without authorization from the author. The TikTok operations team should improve its content review and monitoring mechanisms, as well as its data protection capabilities. In addition, TikTok needs to develop a set of copyright protection policies and copyright infringement handling methods.

This study gives targeted recommendations for TikTok to improve its overseas operations, which is useful to provide lessons for the international development of other Chinese short video platforms from this typical example. This research literature only focuses on four potential problems in the international distribution of TikTok, but in reality the challenges that different apps may encounter in their overseas development will vary. This has to be analyzed in the context of the own situation of each company and the local contextual environment at the time. A comparative analysis of different representative Chinese cross-border operating short-form video companies could be conducted in the future to further deepen the research on this topic.

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