

Case Study of Bilibili's Marketing Techniques

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Abstract: In today's era, streaming media is becoming more and more prevalent and dominating the entertainment worldwide. Among them, streaming video platforms are the most popular. Take bilibili for example, it is a video platform that is very hot within China. Although bilibili has been in business for more than a decade and has a regular young user base and brand recognition, there are many issues behind the seemingly smooth sailing that cannot be ignored. These issues include bilibili's positioning, community, video content and finances, all of which have an impact on its operations. As a nascent streaming platform, bilibili has a variety of marketing models as well as marketing tools. This paper will analyze bilibili's marketing model, marketing tools and strategies using the SWOT and 4P models, and make decisions about the problems the company is experiencing. After analyzing according to various models, bilibili's marketing means is mainly to serve the Z-era crowd as the main target group, and for the characteristics of the Z-era crowd, users can access user-generated content on B station, and the platform also includes a close-knit community. These two locations will be used by B station in an effort to monetize and profit from the traffic. And bilibili attracts the love of fixed groups with its unique secondary yuan-oriented style, achieving a long-lasting emotional maintenance with core users.

Keywords: Bilibili, streaming media, marketing model, marketing tools

1. Introduction

In the first decade of the Internet, the websites created were static. The user would get whatever content the site created. It was a one-sided information transfer without any interaction. Website content was mainly used for display, and was called Internet 1.0. After 2000, the Internet stepped into the 2.0 era, and a variety of video platforms began to appear. According to the "China Internet Development Statistics Statistical Report", the number of network video users in China reached 927 million by 2020, making related Network video become the most popular online entertainment application [1].

At the beginning, video platforms such as streaming media form does not attract the public, but in the late process of gradual development attracted more and more people to use video platforms to watch videos. In the field of video platforms, Youku Video, Akiyip Video and Tencent Video are undoubtedly the three giants of the industry, and the competition among them is very fierce. The three platforms have been fighting a protracted war for the rights of videos and have invested a lot of money. The three platforms have been competing since streaming video became popular. What people cannot

imagine is that bilibili has broken out with a novel positioning. Bilibili's positioning from the beginning was different from other common video platforms, bilibili's positioning is a comprehensive video community, and it has built a very good ecosystem with young users as the main customer group [2]. The development of bilibili seems to be going well, but there have been some fluctuations in the middle. All because there are some potential problems with bilibili that can cause the whole ecological structure to break down. And once customers are affected, it can have a great impact on the company's profitability. First of all, there is the issue of bilibili's positioning. At the beginning, the company's positioning was mainly based on anime fans, so it had some stable customer base, but slowly the positioning became blurred, leading to instability of customers. The second is bilibili's community management, because bilibili has a very characteristic module, which is the pop-up culture, and the number of complex attributes of a large number of customer groups, bilibili should be how to control, is a problem. At the same time, bilibili's user original content is also a great selling point, firmly pinching the hearts of many users. But there are also many risks, such as how to ensure the quality of the video, how to ensure the copyright issues. When there is a ripple effect, it can also affect the profitability of the whole company. In this paper, bilibili's marketing techniques are explained by means of case studies. And the current situation of bilibili and the problems encountered by the company will be analyzed and solved by means of SWOT, STP and 4p models.

2. Background of Bilibili

Bilibili, a cultural community and video website for the younger generation in China, was established on June 26, 2009, and is jokingly referred to online as "B Station" by users. The NASDAQ listed Bilibili on March 28, 2018. Bilibili was formally listed in Hong Kong on March 29, 2021, and it was named the top "Gen Z Preferred APP" list.

2.1. Products and Channels of Bilibili

Animation, comedy, national creativity, dance, music, video games, knowledge, daily life, amusement, trends are just a few of the 15 content categories that bilibili offers. The primary content categories for bilibili are daily life, amusement, video games, animation, and technology [3]. The majority of the content in bilibili videos is Professional User Generated Video, which is the initial video created by UP users. 90 percent of the total broadcast volume of bilibili was made up of PUGV material, according to bilibili's financial report for the third quarter of 2019. The third quarter had 1.1 million average monthly active UP owners of B station and 3.1 million average monthly donations. One of the most popular game video platforms in China, Bilibili has grown to be the largest single-player independent game content distribution hub in terms of traffic.

Not only that, bilibili has also been developing the game sector. In addition, bilibili also develops the music field. Bilibili has become one of the largest original music communities in China, gathering a large number of music creators, as well as music lovers who are keen on secondary creation. Their collision and interaction has inspired the birth of more and more quality music works. There are also some life and study modules, which are also very popular among users. Many up owners choose to upload vlogs in the life and study module, which is very popular among users. Bilibili also has an incentive mechanism for up owners who upload videos, which will be rewarded to a certain extent. When the uploaded videos receive a lot of love, the platform rewards the blogger with earnings.

2.2. Marketing Positioning of Bilibili

B station was initially a video sharing and content producing ACG (short for Animation Comic Game) website. A multicultural community with over 7,000 circles of interest, bilibili has developed over the course of more than 10 years by creating an ecosystem around users, artists, and content [4].

Bilibili has grown from a platform with less content and fewer users to a platform with a very large user base in ten years, which is due to the success of bilibili's positioning strategy. Nowadays, bilibili is the most popular video platform among young people, and it is also the most popular platform for young people to visit. After 2010, young people have become the main force of the Internet, and at this time they have been catching up with trends and are keen on personalized things, while those popular cultures are not favored by young people, who prefer to seek their own style rather than the trends that everyone is chasing. This has given rise to a new trend, the subculture trend. In this context, bilibili chose to target young people for positioning, so bilibili abandoned the financial, real estate, parenting and other video types, and developed and established many thematic communities that young people like, such as the game area, animation area, comic area, etc. The content platform that young people like will be developed vigorously, while the content platform that young people do not like will reduce these content.

3. SWOT Analysis of Bilibili

Strengths: The positioning of the enterprise is very good, mainly focusing on ACG niche culture, which is different from other platforms and very novel, attracting the likes of many users who love secondary yuan. Therefore, there is a relatively fixed group of users. The company's positioning was very new at the time, as there were very few domestic platforms with ACG as their main positioning, let alone a streaming media platform formed by formal planning like bilibili [3]. Bilibili was serious about developing secondary yuan as its main content, and bilibili integrated various contents such as anime, comics and live streaming.

Another thing is that bilibili's pop-up culture is one of the more unique modules, which is more eye-catching than other platforms. The pop-ups mean that while the video is playing, users can comment through the pop-ups and all the pop-ups will be displayed on the interface, which reflects the high level of interaction between video users. It also makes users feel less lonely and less like they are watching the video together with other users in the pop-ups. The pop-up culture increases user stickiness and interactivity, and makes users use the bilibili video platform more often.

Weaknesses: The copyright issue has always been very much an issue that needs to be strictly observed. Bilibili mainly focuses on anime, and the copyright issue is quite serious, but there are still many users who will upload videos after secondary creation, which is quite a serious copyright infringement problem. Especially after the listing of bilibili in the United States, the copyright requirements have become even stricter. But this is also a major problem that exists throughout the Internet today, and it is one of the negative effects of the Internet.

The expanding user base and redundant user types have made the types of submissions more and more varied, making it more difficult for the platform to review submitted videos [5]. Many uploaders seize the opportunity to send videos with vulgar content when the review is not strict, and when videos are sent out without strict approval, it will cause dissatisfaction among many users, and when they see such videos, they will become dissatisfied with the platform and wonder why the platform's review mechanism is so lax. After more of this happens, the platform will lose the trust of the users for the platform.

Opportunities: The initial positioning of the enterprise is particularly advantageous, compared with other platforms, ACG has firmly grasped the hearts of young people, so that in this era when young people continue to occupy the Internet, bilibili should always grasp the needs of young people, do not blur the positioning of the enterprise, and continue to grasp the advantages of the enterprise for development.

Threats: As a streaming platform, bilibili does not go to the masses as other platforms do, so the audience is still not as big as Youku and other platforms, and bilibili only has a fixed part of the young people's user base. The tastes and needs of young people are not always the same, so with the

limitations of the audience, the platform may face the problem of limited development areas, but this will not allow the public to accept this platform. This is the problem facing the platform that needs to be solved.

4. The Business Model of Bilibili

4.1. Market Segmentation

As the competition between streaming platforms becomes more and more intense. First and foremost due to the capital constraint, it is nearly hard to dominate the market with a single boring product or product line. Secondly, because consumers' preferences are not constant and needs are changing. The first stage to success is learning how to discover an appropriate market entry amid the intense competition, and market segmentation serves this function.

The Generation Z generation makes up 24% of China's overall population and is comprised of young people born between 1990 and 2000. The majority of B Station's users are from this group of people, who are also the future of the online entertainment market as well as the main force behind the Chinese entertainment industry. They have decided that B is a platform for people with high commercial value and will be China's main consumer group in the future [6]. In contrast to conventional video sites like Akiyon, Station B gives users access to original content; users can either share their original content with other users or display it on the Internet platforms. In addition, bilibili has a close-knit community, and bilibili will attempt to monetize and profit from the traffic by leveraging these two factors.

4.2. Market Targeting

The target market company chooses the market it wants to enter. After analyzing the overall market situation and market segments, it is found that the target market is not only easy to enter, but also less competitive. But here is another point, in the market competition, when a target market with low competition and low barriers to entry is identified, it means that more companies are likely to enter the market, especially in today's market competition, it is easy to form a "model" production and fall into a "price war". In its early stages, bilibili was a nonprofit organization that served as a gathering place for members of the secondary yuan group, which values trendy culture. It did this by providing young people with similar interests with access to anime, comics, handicrafts, and communication tools, fostering a sense of "belonging" within the secondary yuan cultural community.

4.3. Market Positioning

The competitive edge of bilibili is not in its copious amounts of copyright and enormous monthly active user base, but rather in its copious amounts of high-quality UGC (User Generated Content) and PUGC (Professional User Generated Content), which other platforms must constantly buy or produce to keep users. The fact that bilibili has been able to draw in so many high-viscosity and high-quality video producers is due to the fact that it has prioritized and optimized the user experience while building strong emotional bonds with its core users. Contrarily, bilibili organizes themed events while investing in and producing national animation and documentaries, and it invites users to produce add-on works for the acquired IPs in order to accomplish the IPization and ecologization of protected materials.

5. Bilibili's Future Development and Suggestions

5.1. 4P Analysis of Bilibili

The 4Ps (The Marketing Theory of 4Ps) arose in the United States in the 1960s and was finalized by Philip Kotler in his best-selling book *Marketing Management: Analysis, Planning and Control* [7]. Kotler in his best-selling book "Marketing Management: Analysis, Planning and Control" finalized. The 4Ps refer to: Product, Price, Place and Promotion, and the 4Ps are the basis of marketing strategy.

Product: Bilibili is an ACG content creation and sharing video site, there are 15 different categories of material available on Bilibili, including cartooning, comedy, cultural creativity, dancing, music, games, information, daily life, recreational activities, trends, etc. The primary content categories of bilibili and open live, gaming center, peripheral, and other business sectors are life, entertainment, games, animation, and technology.

The price: First and foremost, Bilibili depends on game sales. 43% of all revenues in the fourth quarter of 2019 came from gaming. It is clear that bilibili relies heavily on game money as a source of income, which is the gathering place of many heavy secondary yuan, and bilibili is deeply aware of this, fully exploit the advantages of the platform, mainly through the joint operation of games with game manufacturers, their own users "secondary sale" for the users of game manufacturers, from which the profit. With the secondary games as the main focus, the users are allowed to enter the quasi-placement, so that the users can feel that the content of the platform is highly consistent with their interests and values, which improves the stickiness of the users to B station.

Secondly, bilibili relies on value-added live service revenue. China's live broadcasting market has been expanding quickly in recent years, and B Station has also expanded its platform with a live broadcasting component. The addition of this component has improved the quantity and variety of customers of B station while also enhancing the content. In December 2019, B station and Feng Timo signed a contract, making Feng Timo's own fans a large influx, because the stickiness of B station's fans is very high, reaching 80%, so this initiative has also increased the number of users of B station. The fact that this initiative proved to be correct, Feng Timo's first broadcast in B station has already collected 430,000 yuan, the future development of B station live business can be imagined.

Third, bilibili gets its money by charging customers membership fees. Ordinary users can become ordinary members by responding to questions, but they must first recharge to turn into a bilibili big member. The bilibili established their own own membership grading systems [8]. However, since the beeper's large membership has only 1080P clarity and a small number of extra dramas compared to the regular membership, the quality of the large membership's cost performance is not high. The beeper's large membership function is rather lame compared to other paid video sites' membership functions. Therefore, the number of Beeping Beeping's large membership users is small, and the income is also small.

Place: B Station frequently chooses to purchase videos associated with animation, cartooning, documentaries, and older films as opposed to other video sites that buy a lot of video copyrights or self-produced web dramas and self-produced variety shows. Anyone can sign up as an up keeper to edit, produce, and share films, which not only lowers B Station's expenses for operation but also encourages users' passion for creation, provides up the public communities related to average users, and increases user engagement.

Promotion: Advertising and promotion for Bilibili seem to have become less common and more focused on interesting material that spreads on its own and its upkeepers. Upkeepers often promote their videos on their own microblogs and public numbers after placing them on the B station, and there are not a few users who like these upkeepers or are curious about the upkeepers' videos and use the B station for the first time.

5.2. Suggestions

5.2.1. Development of Product Diversification.

B station needs to work harder to support China's secondary creative scene. By combining online and offline activities, secondary yuan youth can form a community, string demand layout, forming a complete innovation and entrepreneurship ecological chain. Bilibili's main ACG culture is increasingly coming into the public eye, so the platform should seize various opportunities to imprint this culture more into people's hearts and attract more and more groups to use bilibili to focus on ACG culture. Gather international people who love secondary yuan, form an international secondary yuan culture circle, and gradually develop to the whole world. Through the promotion of national comics for cultural exchange, build a diversified platform to tell Chinese stories.

And from the product perspective, on the one hand, Station B should expand the community content to maintain a good community atmosphere and user experience. Through the construction of food, finance, digital, music and other divisions to attract more non-secondary young users, to cultivate quality soil for the output of high-quality UGC videos. On the other hand, B website can make efforts to expand the field of B website videos to a more generalized and comprehensive level by purchasing the rights of drama, movies and TV series, and self-producing documentaries and variety shows that meet the taste of the "Z generation".

5.2.2. Price System Enhancement in Depth and Detail.

According to the 4P model, bilibili's revenue is mainly based on games, live streaming and membership fees. Other similar large streaming platforms are mainly profitable by charging advertising fees, but this is not possible for bilibili. This is what B station promised early on, that is, not to use patch ads, so for B station to insert ads in the beginning of the film is impractical under the consideration of maintaining the user's experience [9].

However, the pricing system lacks deeper and more detailed segmentation, and there is a need for platforms to further segment by taking into account user age, unique characteristics and viewing content. By segmenting the market to determine different pricing systems for payment, the current situation of single pricing can be improved. Price strategy based on content. Website pop-up videos can be launched for such users as homemade dramas, hit series, etc. A different pricing system can be introduced to further segment the content, and for members, the price can be adjusted downward. The most prominent advantage of this approach is to stimulate the user's impulse consumption, in the user's view, the price is not very high, they have the ability to pay, thus creating the desire to become a member, and over time can cultivate good consumption habits of users [10].

5.2.3. Multi-channel Research and Development.

The platform should focus on both online and offline dual-channel sales. Members can realize the direct extension of online value into offline activities by participating in various activities derived from anime, such as concerts, anime exhibitions, etc. The joint launch of online and offline activities can effectively increase the activity of ordinary and core users. For the website, it can greatly increase advertising and marketing revenue. In addition, the platform must also develop in the direction of diversification. Bilibili users themselves have a high affinity for ACG culture, so the platform can try to cooperate with game manufacturers to achieve exclusive distribution of specific handheld games, or co-operate with developers [11]. The future of video sites is bound to broaden the channels and develop in the direction of multi-screen integration. Bilibili has successfully achieved the perfect integration of three terminals: computers, cell phones and tablets, but for the integration with TV sets, it needs to make more efforts to develop in the future. The website should strive to provide more

supporting products for smart TVs and develop a different pricing system based on this to effectively increase bilibili's influence in the industry as a whole and thus acquire more users.

5.2.4. Development in Multiple Countries and on Multiple Platforms.

In order to effectively improve the internationalization of the site and propel it to the international market, Bilibili's future collaboration should not just be restricted to its own nation but should actively establish partnerships with other national businesses, such as by actively seeking the participation of more well-known bloggers from developed nations like the United States and Germany. And bilibili should build topic marketing through social platforms. As the largest gathering place for ACG fans in China, bilibili has its unique advantage in the promotion of the platform [11]. The platform can fully utilize these platforms of Weibo and WeChat to attract users' attention through topic discussions and make them interested, thus sustaining their attention.

6. Conclusion

In this era of advanced streaming media, bilibili has created a new niche in the fierce video platform by creating a new niche. Bilibili's niche has been different from other common video platforms from the beginning, with a stable group of users. Bilibili's initial niche was ACG-based, as there are few video platforms in China with ACG-centric content, and was therefore influenced by a fixed group of people who love it. Additionally, videos are primarily made up of expert user-generated videos (PUGV), which are original videos created by UP owners, and this is a very unique and bright presence among many video platforms. According to the SWOT and STP models, we analyzed the business model and profitability of bilibili, and also analyzed the advantages and problems of bilibili compared to other platforms. The first advantage is that the positioning of the company is very good, mainly focusing on ACG culture, which is different from other platforms and very new. In addition, the website's pop-up culture enhances communication and interaction between users, increasing their stickiness and interactivity. There are some disadvantages that it is impossible to fully control the legal use of video copyright and. Another point is that it cannot take the popular route like other video platforms, and it does not really come into the public eye. It then analyzed bilibili's 4P model and listed the measures that bilibili needs to improve based on the 4P model. From the product point of view, bilibili should expand its community content to maintain a good community atmosphere and user experience and attract more non-secondary youth users. On the other hand, bilibili can solidify its youth user base by purchasing videos that meet the tastes of "Generation Z". From the price perspective, bilibili can introduce different pricing systems to further segment the content, and for members, the price can be adjusted downward, this method can stimulate the impulse consumption of users. In terms of channels, the platform should be developed online and offline together. In terms of promotions, bilibili should also establish partnerships with other national markets.

This study prompts bilibili to adjust its marketing strategy in a timely manner, taking into account the marketing environment. And to a greater extent, to ensure that it can quickly seize a certain position in the increasingly competitive market and improve its competitive advantage. There are still many shortcomings in this study, for example, this study mainly focuses on bilibili, and the scope of the study is somewhat limited and needs to be expanded. This study clarifies the problems in bilibili's marketing strategy and puts forward reasonable and feasible countermeasures to solve them, but due to the limitation of research space, many ideas stay on the surface and lack in-depth discussion, and it is hoped that the problem will be followed by more in-depth research.

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