

Research on the Development of China's Short Video Industry

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Abstract: Short videos refer to video content uploaded, shared, and watched through mobile internet platforms with a duration of between 15 seconds and 10 minutes. Since the popularity of 4G networks, the short video industry has achieved rapid development, and hundreds of millions of user-level platforms such as TikTok and Kwai have been born, which has established a strong influence in the mobile Internet era. This paper uses SWOT writing models to analyze TikTok's features and strengths, weaknesses, opportunities opportunities and potential risks. It provides rationalization suggestions for future growth and development. This is because TikTok is not only in the absolute leading position with other short video apps, such as Kwai but also has strong learning and reference value, so readers can not only learn a series of successful methods, such as business models, operation concepts, timing, etc. but also learn how to use the short video platform as a marketing tool. For some marketers, it is also possible to understand consumer behavior and they can adjust their marketing campaigns to better understand the audience segments they need.

Keywords: China, Short Video Industry, Analysis

1. Introduction

1.1. Background

Over the past few years, short videos have gained immense popularity as an emerging form of media. The brevity of these videos, along with their diverse content and ease of sharing, has made them widely recognized and appreciated on various social media platforms. This trend has been further fueled by the widespread usage of mobile internet and the availability of high-speed networks, making short videos a preferred choice for public consumption and entertainment.

Among the multitude of short video platforms, TikTok has emerged as a forerunner, capitalizing on its unique approach to content creation and user experience. It has managed to amass a massive user base, establishing itself as a leader in the short video industry. TikTok's success can primarily be attributed to its exceptional user experience, innovative business model, and technological advancements. Consequently, it holds great significance in the realms of popular entertainment and commercial marketing.

1.2. Related research

It focuses on the influence of business model innovation on the financial performance of Racer Company, a short video platform. The study finds that business model innovation has significantly improved Racer Company's value creation, profitability, corporate development, and reduced financial risk. The study suggests that short video platform companies should tailor their business scope to meet diverse user needs and deliver user value. It also emphasizes the importance of prioritizing channels, business strategies, and cost structures for commercial success. Continuous business model innovation is crucial to enhancing financial performance. However, the study has limitations, such as a small sample size and a focus only on the impact of business model innovation. Further research should include more short video platform companies and examine other factors like market competition and technological innovation. This comprehensive analysis can provide development recommendations for the industry's growth and advancement [1]. The short video industry in China has seen remarkable growth in recent years, emerging as a significant and influential sector. With its innovative ideas, timely execution, and diverse content, the market has attracted a large user base and businesses alike. As a result, more individuals are entering the industry and seeking to understand its business approach. However, alongside its success, the industry also confronts various challenges which demand attention. This literature review aims to assess the current status of the short video industry and analyze audience preferences. Through this systematic review, the article seeks to enhance comprehension of the industry's business model and offer valuable insights into the challenges it encounters [2]. The business model of a short video platform was evaluated by the author using the SWOT analysis method. Extensive research was conducted on business models, internet cultural enterprises, and innovation within the short video platform industry. The analysis revealed that the platform's future holds both promising opportunities and challenges, primarily due to its extensive user base. To ensure success, the platform should fully leverage its strengths, which include its emphasis on e-commerce monetization and its exceptional video delivery capabilities. Furthermore, the role of live broadcasting is predicted to play a significant part in the platform's future success, particularly within the context of e-commerce [3].

The proliferation of the Internet and mobile devices in China has resulted in a significant increase in the number of people using their smartphones to access the Internet. This shift in behavior has sparked a rise in the popularity of short videos, which appeal to the fast-paced lifestyle and small screens of mobile phones by providing easily digestible information. Consequently, new internet companies focusing on short video platforms have emerged and have developed unique business models. To effectively describe the various components of a business model logically, the business model canvas has proven to be a valuable tool. One exemplary short video platform called Kwai has managed to amass a large user base. Analyzing Kwai's business model can provide valuable insights into its infrastructure and offer guidance for future short video platform development [4]. It examines the obstacles that short video platforms encounter when attempting to identify and measure revenue. It specifically focuses on the challenges faced by the fast-hand technology platform, analyzes its business model, and highlights the prevailing issues in the industry. To address these concerns, the paper suggests recommendations regarding the accounting treatment of virtual currency deposits, e-commerce services, and live-streaming rewards. It also proposes potential solutions to combat the issue of misreported advertising earnings due to inaccurate traffic data. Furthermore, the paper emphasizes the importance of considering various factors when determining how income from live-streaming rewards should be recognized and measured. It suggests adjusting the revenue recognition process to align with different contractual models [5]. The paper examines the rising demand for advanced information transmission in the era of Internet media, which has resulted in the popularity of mobile short videos. It focuses on introducing the concept of mobile short videos, discussing their

development, and analyzing their growing popularity. Moreover, it evaluates the advantages and disadvantages of using mobile short videos for transmission and proposes suggestions to address any related issues. The availability of smartphones and high-speed 4G networks has significantly increased smartphone usage and facilitated the transmission of dynamic visual content. Online communities have embraced short videos, and they have had a significant impact on social interactions. By effectively conveying messages and emotions, short videos have gained prominence in the age of social media. Nonetheless, certain drawbacks need to be resolved in order to enhance the overall user experience of mobile short video transmission [6].

The m-score algorithm, created by researchers, has been developed to distinguish influential TikTok videos that generate a high number of sales from those that do not. This algorithm utilizes a Convolutional Neural Network to evaluate the effectiveness of product advertisement in the most captivating segments of the video. Videos with higher m-scores are more likely to drive sales, especially for products with an impulsive buying nature, low costs, and a hedonic value. By utilizing m-scores, stakeholders within the TikTok community can enhance video design, choose suitable videos for marketing campaigns, and align incentives for both influencers and brands [7]. It conducted on university students indicated that dedicating more time to TikTok leads to higher levels of distraction during class and poses challenges in completing academic work. Moreover, those who indulged in TikTok more frequently admitted to losing their sense of time while using the application. These results strongly imply that TikTok usage can have adverse effects on the concentration and productivity of college students, potentially resulting in inferior academic performance [8]. It examines the features and popularity of TikTok, a short video app, through the lens of audience studies. The author's research relies on ethnographic fieldwork carried out with young adult TikTok users in the UK between 2020 and 2021. The study reveals that TikTok usage, especially scrolling through the For You Page, became a regular part of young adults' daily routines. During periods of lockdown, TikTok offered a convenient escape and source of relief. Furthermore, the paper underscores the intricate nature of TikTok and the proactive role played by users in shaping their experience and integrating the app into their social lives. The author concludes by underscoring the need for future research on TikTok that accounts for the specific contexts and audiences involved [9].

It was to gain an understanding of how young adults utilize TikTok and the underlying motivations behind their actions. To accomplish this, the researchers employed walkthrough methods and unstructured interviews, which allowed them to investigate user motivations, interactions, and the capabilities of the platform. The primary findings revealed that TikTok is primarily used by users as a means of escape and to boost their mood. Expressing their hidden selves and socializing with friends were identified as secondary reasons for usage. Furthermore, the user-friendly interface and editing tools of TikTok were found to foster users' creativity. It also delved into the addictive nature of the app design, considering it a potential driver of user addiction. In addition to providing background information on TikTok and the theoretical framework, the paper details the research questions and methodologies employed, presents the research findings, and discusses the implications and conclusions drawn from that [10].

1.3. Objective

Therefore, this paper will analyze TikTok's business model and analyze its future development and make recommendations.

2. SWOT

SWOT is a structured approach to planning. swot is an acronym for Strengths, Weaknesses, Opportunities and Threats respectively. It can be used to evaluate organizations, projects, or business

ventures. It can be used to analyze a company's business operations using these four areas and can provide key insights, opportunities and threats to the market in which it operates. Moreover, it can help the business or company to better understand their strengths and weaknesses so that they can better understand themselves to capitalize on the opportunities in the market and face any threats that exist in it. So, it is a great method and the research will use this method to analyze the Strengths, Weaknesses, Opportunities and Threats of TikTok.

2.1. Strengths

First, low barrier to entry, easy for users to use and manipulate. Users do not need any technical background to start using the platform. All the icons of T are very simple and easy to understand, so newcomers can immediately understand the meaning when they see the icons. By choosing an individual or an organization, users using i'kTdouyin can access the jitterbugs and post original works without cumbersome procedures of apps and authentication requirements. This user-friendly interface is crucial in the modern technology-oriented world. Secondly, i'kTodouyin offers its users free professional-grade editing and filtering tools; without any upfront payment. This gives IkTokdouyin a huge advantage in the market; users just need to download the application and use it. This advantage also gives TikTok a huge customer base in the market because it is available for almost all age groups. This huge database of users is a great asset for the brand and it has helped the brand to build greater brand equity and benefit from the network effect. The brand can secure market share for the foreseeable future because of the brand loyalty it derives from its user base.

The second strength is the huge market share. TikTok operates in more than 150 countries and has been translated into more than 75 languages. This has earned the brand more than 200 million customers from across the globe. This gives the group a global market reach. This wider reach ensures that TikTok generates more revenue and a larger customer base.

Third strength: capitalize on and integrate the Netflix economy. With the popularity of douyin videos, some users have become Internet celebrities, whose characteristics are amplified through the Internet and are liked by users, with the effect of targeting users. Secondly, netroots can attract traffic, which promotes consumers' purchasing behavior, thus forming the netroots economy. Some netroots display goods to attract readers to consume through videos or live broadcasts, which brings great benefits to individuals and platforms. In addition, the advantage is related to the cooperation with influential people such as celebrities or household names. This not only benefits both parties like the Netflix economy, but also increases brand awareness, which in turn attracts traffic or more users.

2.2. Weakness

First of all, the video content lacks depth. Because for ordinary users, there is a big gap with the short videos made by professionals, because the threshold of professional technical operation is high. Ordinary users only need to use smart terminals and TikTok apps to create and edit videos. This also means it is difficult to control the quality of ordinary producers, and problems such as rough content and lack of depth occur, causing negative impacts. This phenomenon is also increasingly prominent with the advantages of TikTok's easy operation.

The second weakness is the increasing homogenization of videos. As the number of videos on TikTok increases, the video content gradually becomes homogenized. With the emergence of other short video platforms that imitate TikTok's mode of operation, TikTok's content will appear to be the same, which will not only lose some users. This will not only lose some users but also make TikTok lose its product characteristics. Secondly, in TikTok, different bloggers learn from each other and imitate each other, and the contents of similar bloggers are highly similar and plagiarized.

The third weakness is the lack of strict governance norms. The establishment and dissemination of TikTok content relies on the open and free features of the Internet. Information spreads quickly and is easy to access content. TikTok lacks strict standards of governance. For example, some audio songs as well as background audio clips have been described as inappropriate; unfortunately, TikTok is sometimes not adequately censored, so there are bloggers who encourage the use of drugs, violence, nudity, and fantasy through humor. This raises serious concerns about the use of TikTok by children amongst other vulnerable groups. Seriously, this will get the attention of the government, and once the government gets involved, the restrictions and implications for TikTok will be huge, and the platform could face app deactivation if it's not handled properly.

2.3. Opportunities

The development of artificial intelligence has brought new opportunities for short videos, especially TikTok. Artificial intelligence in TikTok is mainly used for special effects in video shooting, such as face changing, face props, avatar face props, avatar dress-up, and even games. These are realized by weakly intelligent neural network algorithms in AI. Such as face recognition, limb node recognition, hand body (part) recognition and hand body (part recognition), etc. With the future development of science and technology, TikTok will be more beneficial, and artificial intelligence will become an important driving force for the development of TikTok.

The second point of the TikTok opportunity is that the government is moving in to enhance the brand image. For example, People's Daily is responsible for publicizing the theories and policies of the Communist Party of China (CPC), reporting and commenting on major events in the world, and other important duties. This kind of positive energy and account registration with a national image will enhance and improve the brand image of TikTok.

2.4. Threat

First, from a threat perspective, user privacy and security are difficult to maintain. For example, people's favorite content, following bloggers, and so on, this information reflects the user's preference to a certain extent, and one can get a good understanding of a person by viewing this data. If not maintained properly, the consequences can be very serious. It will allow criminals to take advantage of the opportunity, especially for those who do not strong sense of prevention of the elderly, criminals will commit fraud, extortion, and a series of harmful social behavior.

Second, is the threat of user migration. TikTok's successful business model has made the major short video apps imitate it, especially since some bloggers have accounts in different apps at the same time because it can expand the blogger's popularity and influence, and the blogger can earn money on different platforms. However, this has led to some fans following the blogger on other platforms, taking away TikTok's user base as well as its traffic.

The third risk is that TikTok enters a bottleneck in terms of commercial value. TikTok has a very large number of users, which has led to a slowdown in the number of its users growing and its commercial value is weakening. In addition, TikTok's overseas business is facing great challenges due to policies and environment.

3. The Future Development Direction of TikTok

TikTok will have an increase in the number of live broadcasts in the future, because as some bloggers profit in the live broadcast, all major anchors will follow this behavior, but the number of people who make money will be reduced because the homogenization of the live broadcasts is getting more and more serious, so the blogger's income will not be earned as much as the initial one, and what's more, with the increase in the number of people, the traffic of TikTok is not enough to be divided. Therefore,

it is recommended that TikTok carries out all-domain traffic, such as introducing some video playback software, which can realize multi-channel integrated marketing and increase the use of users, thus gaining more traffic. Secondly, TikTok has more and more creators, but the growth of users is slow, so TikTok needs to retain users, which is reflected in the creativity of the creators, such as posting some hot news and novel thinking, as well as cross-boundary innovations such as VR, to attract more users. Therefore, TikTok's main problem in the future is still in the traffic, which can be expanded through the global traffic and improve the ability of creators to expand users and traffic growth.

4. Conclusion

This paper has examined TikTok's business model, including analyzing its strengths (e.g., low barriers), weaknesses (e.g., lack of depth), opportunities (e.g., the arrival of virtual reality), and risks (e.g., government restrictions). Moreover, it also analyzes what should happen to it in the future (e.g., traffic becoming low) and gives some suggestions (e.g., improving creators' capabilities). Through the above analysis, it is concluded that a business or a successful company needs to be researched by the SWOT method like this paper on TikTok, so that it can not only draw the potential dangers and predict the future appearance but also more importantly, not to lose the company's strengths and core competencies.

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