

# Bytedance—— Media Invator Starts from Douyin

Yuwen Su

## Bytedance Media Company

### Abstract

As a media and entertainment company, Bytedance will be the subject of this essay, concentrating on its mission statement, competitive advantages, difficulties, and suggestions for its future strategy. Due to its vast content library, data-driven approach, technological know-how, and international expansion aspirations, Bytedance has become a prominent player in the media market. The business, however, must contend with issues, including escalating competition and rising content costs. Bytedance should promote content distinction by emphasizing original and exclusive programming, encouraging creative collaborations, and investigating niche genres to ensure future success. Why did Bytedance succeed? The company's mission statement was clear: its user base was large and growing, profitable, and steadily increasing across multiple sectors. In the future, Bytedance's development strategy should continue to stabilize the existing customer base, maintain its unique algorithmic advantages, and push the existing industrial chain to the world market to compete with more international media companies.

**Keywords:** Bytedance, Media Business, Douyin, Live Streaming, Digital Shopping.

## Background

Beijing ByteDance Technology Co., LTD., or ByteDance, is a multinational Internet technology company in Beijing, China. (Wang, 2018) Founded in March 2012 by Yiming Zhang, it owns media aggregation service Toutiao, short video and audio TikTok (and its overseas version TikTok), watermelon videos, the social platform Lemon8, etc. Zhang judged that Chinese netizens often cannot find information they are interested in on the Internet. Bytedance launched the news recommendation app Toutiao in August 2012. Around September 2016, ByteDance launched TikTok. Douyin lets users take and edit short 15-second videos, add filters, and share them on platforms such as Weibo or WeChat. This form attracted the attention of young people and became an instant hit once it was launched. Bytedance is the first Chinese Internet startup not to seek commercial protection or financing from Alibaba, Tencent, or Baidu; Bytedance, on the other hand, is considered to have strong competition with the two giants Baidu and Tencent, as ByteDance is mainly funded by advertising revenue from Tiktok and Toutiao. (Chen, 2018)

## Mission Statement

“Inspire creativity, enrich life.” This is Bytedance's major mission statement.

ByteDance's content platforms enable people to enjoy content powered by technology. We inform, entertain, and inspire people across language, culture, and geography. In the case of Douyin, the platform has been encouraging

the creation of original videos and content. From the beginning, it was only a short video publishing platform. Later, many exclusive shooting special effects were born, becoming camera software for many people. The form of graphics was added to expand this platform from a short video platform to a comprehensive media platform. At present, Douyin has also launched music, e-commerce, social, and other functions, gradually allowing people to transfer a lot of media life to the single software of Douyin. Perhaps Douyin has enriched people's lives in a certain way and on the Douyin platform. Douyin has made its users increasingly dependent on Douyin.

## Customer Stability and Revenue Potentials

Due to several variables, Bytedance is involved in more than 70 apps, of which five are in the tens of millions of users. According to the 2022 ByteDance investment report, the current global monthly active user number of ByteDance has exceeded 2.5 billion.

Bytedance's revenue in the first half of the year 2022 exceeded 40 billion US dollars, and 2022 annual revenue is expected to be 90.3 billion US dollars, an increase of 56%; by the year 2022, net profit is expected to 21.7 billion US dollars, according to 260 billion US dollars valuation calculation, by 2022, PS is only three times, PE is only 12 times; At present, Tencent's PE is 23 times, Ali 13 times, and Meituan Fast Hand is still losing money; The business growth of comparable companies is stagnant, and the valuation is at the low level in recent years, but there is still an average of nearly 20

times PE, which shows that the current byte valuation is seriously underestimated, and the growth potential is huge. (Bytedance, 2022) Bytedance has its unique user push algorithm, which provides a unique push system for the company's popular app. First, The Birth of Douyin is a 15-60s short video platform. Short videos of about 15 seconds can make people's brains produce dopamine efficiently. This has become one of the characteristics of Douyin. Douyin will push videos and products to users according to the user's preferences, social circle, and other factors to retain the audience so that users can continuously get content satisfaction.

### **Industrial Chain and Multi-field Expansion**

Several strategic suggestions are made to ensure Netflix's success both now and in the future. From the beginning, Douyin was only a platform for short videos and has now expanded into a network media society integrating camera and picture processing, short videos, graphics, e-commerce, music, and social networking, which will be a good development trend in the future.

Douyin platform has also shown an expanding development in advertising content. One of the platforms responsible for the advertising industry in ByteDance is Star Map. From the beginning of taking a percentage from embedded soft advertising, that is, video creators integrate products into video content to increase product exposure, and the profit method of the Douyin platform to obtain platform fees from creators and merchants, Douyin has developed a variety of advertising revenue. Soft advertising is on the one hand; on the other hand, Douyin also has hard ads directly implanted by the platform, such as ads inserted between two short videos, open screen ads, AD pop-ups, and so on.

Advertising promotes commerce, which moves to Douyin's e-commerce industry. Douyin Mall can directly realize online shopping while matching Bytedance's financial sector: DOU installment and other platforms.

Regarding e-commerce, Douyin has also carried out horizontal development, illustrated by the birth of the profession of cargo host broadcasting. There is a category of videos on Douyin that are not entertainment videos but videos created specifically to introduce products to increase product sales. The creative team and on-camera crew of such videos have formed a new profession: streamer broadcasting. In this regard, ByteDance also provides many job opportunities for society.

Bytedance uses Douyin as its main development platform and as a medium to carry out several businesses, such as knowledge education, healthcare, VR, music, and

games. Under the connection of Douyin, these platforms will step-by-step approach the lives of Douyin users. Bytedance's expansion of its involvement in the field is not simply based on the field but on its already established huge user groups, gradually expanding to every corner of its media life, intangibly attracting all of its media life under the wings of Bytedance. This is not a monopolistic expansion.

### **Competitors in the Field**

Douyin has been facing more and more competitors in the field of streaming media.

Let us trace Douyin's very early beginning in China. Before Douyin became popular, the mainstream format of video media was still 5-minute videos, and at that time, the platform Meipai was the most popular. Douyin transformed the user group of Meipai and let them get used to the 15-second short videos. So, users gradually left Meipai and became keen on short videos. Many short media platforms emerged from then on: Watermelon Video, Volcano Video, etc. Kuaishou(Kwai for international version) is one of Douyin's competitors in China. These two platforms compete all the time in the field of short video. Still, the income structures of the two platforms differ: Douyin influencers make money from ads and cooperations with product companies or business organizations, helping them in advertising products. However, Kuaishou influencers make money from live streaming, which means they sell products themselves when live streaming. The creators of the two platforms differ, so the users, or we say the viewers and customers of the two platforms, differ. Douyin encourages more original videos, inserting advertisements into the videos but not disrupting the aesthetic experience of viewing so that users will link the quality of the product to the quality of the video art, and they may buy the product. In this case, users of Douyin need to have a higher sense of aesthetics and also might have a higher level of consumption. In the case of Kuaishou, users are usually more sticky to the influencer itself, which means they are fans of an exact influencer and will buy products recommended by this influencer under the circumstance of trust and fan loyalty. This phenomenon of fan loyalty constructs the total user loyalty of Kuaishou. Therefore, Douyin's profit comes from ads and cooperation, while Kuaishou's profit comes from live streaming and individual sales.

### **Conclusion**

According to ByteDance's mission statement, "Inspire creativity, enrich life." again, in this society where people get higher and higher educated, they will gradually

recognize the importance of original works and creativity. Douyin's profit-gaining structure also decides its future profit sources: continuous new brands and new products. Under the total environment of customers, people in this fast-paced society are chasing more and more new things, which links to Douyin's profit sources and market strategy. Therefore, I think Douyin and the company behind it have big potential to develop as a top-line in the streaming media entertainment field.

### References

- Wang, Yue. China's \$11 Billion News Aggregator Jinri Toutiao Is No Fake. 2018.09.08.
- Chen, Lulu Yilun. The unknown 35-year-old behind the world's most valuable startup. The Sydney Morning Herald. 2018.10.01.
- Bytedance, Bytedance Investment Report for 2022, [https://www.sohu.com/a/635110385\\_121644338](https://www.sohu.com/a/635110385_121644338), 2022.09.