

# Research on The Predicting Future Business Strategy of New Media Video Platforms

-- Taking bilibili as an Example

Jia Li\*

Net Work and New Media, TV School, Communication University of China, Beijing, 100020, China

\*Corresponding Author Email: jia.li.2020@cuc.edu.cn

**Abstract.** Under the influence of smart devices and Covid 19, building an online world to gain more revenue has become the main solution during this special period. However, according to the recovery of offline industries, maintaining a competitive advantage is the current topic for all entertainment enterprises. Most former papers are dedicated to unveiling the theory about why new media is the trend. The researchers seldom give specific suggestions on how to create long-lasting strength for new media video platforms in the future. This paper uses case study, questionnaire survey, and industrial report analysis method to find the possible future hits in media and the Internet industry and try to give separate strategies based on the result. By using three methods, the paper spies difficulty of commercialization and the tendency for interdisciplinary application. Most importantly, the paper provides corresponding solutions include "content first, distribution later", interdisciplinary application satisfies spiritual consumption, and speed up artificial intelligence.

**Keywords:** Media and Internet; New Media Video Platforms; Case Study; Questionnaire Survey.

## 1. Introduction

### 1.1. Research Background

By December 2021, the number of Chinese mobile phone users had reached 1.029 billion, and 99.7% of Internet users had used mobile phones. China's online video users (including short videos) reached 975 million, accounting for 94.5% of netizens.

Due to the influence of the coronavirus, new media platforms turned to providing online video services. They are expanding their market and seizing resources more and more from traditional media forms such as theaters and cinemas. Thus, it seems like new media conquered the weakness of lacking demographics compared to the traditional media. Yet, because of the propaganda function of television or broadcast and the temporary epidemic, these new media platforms may fade fast. So figuring out more useful future business strategies for platforms to maximally use their advantages has become the core topic these days. This paper dedicates itself to analyzing means for new media video platforms to last their popularity as long as possible and predicting a reasonable future for them.

### 1.2. Literature Review

As early as 2002, Manovich found that automation is one of the principles of new media, including high-level techniques like AI and media databases. The new problem was emphasized: finding the object that already exists somewhere related to the theory of "big data" now.

Hansen, Shneiderman, Smith, and Himelboim addressed sharing and collaboration as the obvious categories of social media. Mass media provide an alternative to purposeful searching for content on search engines by allowing a community of peers to collaboratively identify and share interesting content. It's like a modern incarnation of browsing, where the masses decide what is on the shelf. Meanwhile, collaborative authoring is facilitated by social media tools and games or videos.

Pavlik and McIntosh proposed the relationship between the individual and future communication. They pointed out that the young generation can better adapt to digital technology at first. Secondly, they argued that highly targeted narrowcasting would be involved in communication using individual data when the aggregated audience is split into its atomized particle. At last, they stated that

technologies didn't exist in a vacuum yet they were imagined, invented, and implemented in an imperfect world of inequality and social divisions, and were thus inseparable from the human beings who develop and use them [4-5].

Siapera took the digital game as an example to illustrate the importance of content construction. She also declared that the identity in new media tended to be conceptualized. Later, she mentioned that companies traded in new media as technological objects generate more revenues than those traded primarily in software. Therefore, technological and economic convergence implied that new media need to consider the involvement of more than one type of industry.

Above all, the former researchers and scholars have already put their effort into laying a foundation for the new media field. The new media video platform system couldn't have been set up without their work. Most previous papers prefer discussing the approximate frames, introducing a brief development history, and imagining the near future. Hence, the content lacks inter-discipline, so the research result stops at the conceptual analysis stage without providing solutions or advice. Another limitation is the imprecise classification that few papers concentrate on arguing the status quo and future prediction of new media video platforms. In contrast, this paper stands from the perspective converged with business and communication to analyze the recent external industry environment and give specific suggestions for new media video platforms.

### **1.3. Research Framework**

This paper takes a literature review and background introduction at the beginning. Then it expounds on the research method and results, including a case study of bilibili, survey (questionnaire), and literature (industrial report). The analysis and development forecast is done based on the experience of bilibili and the questionnaire. Due to the status quo, the study analyzes the existing problems and explains the reasons. After using a media Internet industry investment research report, the paper finds possible solutions. Improvement strategies are mentioned in the next section. Lastly, the paper reviews the findings summarizes the research significance, and lists its limitations.

## **2. Methods**

### **2.1. Case Study Method**

The case study is a research strategy focusing on understanding the dynamics within single settings. The researchers usually choose a case within a population because the concept of a population is crucial. The population defines the entities from which the research sample will be drawn. Also, selecting an appropriate population controls extraneous variation and helps define the limits for generalizing the findings. Thus, the author has selected bilibili as the subject due to its population and advancement in China. The case study first shows the development of this enterprise with data from its latest financial report, then analyzes the pros and cons of bilibili, reveals the problems and risks, and ultimately gives some advice to all new media platforms like bilibili.

### **2.2. Survey Method**

Questionnaire survey is a method for researchers to obtain relevant information and data through pre-designed questions based on the original meaning of the questionnaire, which is "a question sheet used for statistics or survey". Researchers usually give a series of questions related to the research purpose in written form and let the subjects respond. Collecting, sorting out, and analyzing the answers to the questions, they can obtain relevant information. This paper mentions a questionnaire done by the author. The title is "Survey on users of new media video platforms". It has 10 MCQs and 1 completion. The questionnaire involves some services and functions of bilibili, so it's related to the case study. The survey tries to unfold users' preferences on new media video platforms, the expectations for the future, and the labels of Internet natives, Generation Z. According to the data, the paper gives precise suggestions to new media video platforms to fulfill the requirement of customers.

### 2.3. Industrial Report Analysis Method

The industrial report analysis method analyzes the external environment and the status quo of the overall industry. Industrial reports always display the trends and warn the industry's risks. This paper writes the discussion section based on a report about the Investment Strategy of the Media and Internet Industry in 2022 from Hua Xi Securities, a securities company in China. The report focuses on cutting-edge technologies, plate market trend reviews and breakthroughs in the new media industry. So it's comprehensive, industry-converged, and applied to the whole industry of new media video platforms. Referencing the report, the solutions are given to solve common industry problems found in the case study and questionnaire survey.

## 3. Results

### 3.1. Case Descriptions

#### 3.1.1. Background Of bilibili

bilibili is the abbreviation of bilibili Bullet Screen Network, also called "B station" among Chinese users, which is a bullet screen video-sharing website headquartered in Shanghai, China. bilibili initially started with ACG-related content when it was still its predecessor, a video-sharing website named Mikufans, which was created on June 26, 2009, by "(9) bishi" (Yi Xu). The original intention of the Mikufans website was to provide users with a stable bullet screen video-sharing website. The website was changed to its current name "bilibili" on January 24, 2010.

bilibili got strong quickly. On March 28, 2018, bilibili was listed on Nasdaq in the US, and then on March 29, 2021, it was listed in Hong Kong.

According to the unaudited financial report for the first quarter (up to March 31th, 2022) officially released by bilibili on June 9th, 2022, the average monthly active users and mobile average monthly active users of bilibili have reached 294 million and 276 million, respectively, with the year on year rate about 31% and 33%. The daily active users have reached 79.4 million with a year-on-year rate of about 41%. The average number of monthly paying users of bilibili increased to 27.2 million by 33% year on year, and the paying rate increased to 9.3%. The average daily spend time has reached 95 minutes, which is an all-time high. The present CEO of bilibili, Rui Chen, addressed that based on the healthy growth of users, bilibili is constantly accelerating the construction of commercial infrastructure and improving its commercial capacity.

#### 3.1.2. Features And Advantages Of bilibili

It can be seen from the data that bilibili is a very young Chinese company. From its inception to the present, it has profoundly influenced the manner and content of cultural communication among the young domestic generation in China. Therefore, it deserves to be unique and representative of new media video platforms.

In this new media era, normal semantics, long videos, long audio, pictures, and other digital information can be deconstructed and used for secondary communication. bilibili is the first video platform where users can upload secondary editing videos and have real-time bullet screen interaction. Although bilibili was originally surrounded by netizens who were anime lovers, in the process of advancing with the times, bilibili gradually built up its unique features, cultural attributes of users, and exaggerated field radiation range.

The "Gui Chu" (auto-tune remix-themed content) video from Japan inspired early bilibili users, and allowed them to show their skills and make interesting editing videos. The impact is long-lasting, so bilibili is still the maker of Internet hits and the source of popular memes in China.

Now, bilibili not only has many anime fans but also attracts celebrity fans, novel fans, and game fans because of its inclusive atmosphere for fan culture. The scope of bilibili's business has gradually expanded its territory that now involves various categories. There are areas including comics,

animation, music, dance, games, knowledge, digital, life, food, Vlog, Gui Chu, fashion, entertainment, films, and TV series on bilibili for creators (called “up” on bilibili) to upload videos.

In addition, bilibili’s previous copyright issues related to secondary creations have also been resolved step by step. The number of copyrights it has purchased has become larger and larger, covering areas such as anime, documentaries, movies, and TV series.

The services on bilibili are no longer limited to providing bullet screen video technology and website management. bilibili has games, themed variety shows, and TV series produced independently, which have gained much popularity.

Last but not least, one of the major features and biggest advantages of bilibili is its real-time interactive function. bilibili is one of the primary platforms in China to create a bullet screen function. Many new media video platforms have imitated this feature. bilibili is also developing new features with the times. For example, in-video voting, scoring, and interactive videos where you manage the story’s plot. bilibili is also glad to develop videos by integrating with various new technologies. These technologies include the naked-eye 3D video, VR, AR and XR displayed at Bai Nian Ji (annual gala held on New Year’s Eve), Vup (up is displayed in a virtual image) services and so on.

### 3.1.3. The Problems and Risks

From the development, features, and advantages of bilibili, long-term problems and gradually formed problems can be seen easily.

The first problem is how to commercialize correctly and quickly. bilibili is rooted in the cultural atmosphere of anime fans and developed in the communication and creation of fans in various fields with love, so bilibili didn’t aim for profit from the beginning. But as the business grows, the losses will also increase. Until this year, bilibili is still struggling at the edge of profit and loss. According to bilibili’s financial report, the company lost 2.284 billion CNY in 2022 Q1. So bilibili’s biggest plan this year is to speed up the commercialization process.

Over the years, bilibili has been trying various ways to get more revenue, including a grand membership policy, signing creators to gain parts of their revenue, advertising, and the paid video function launched on June 21, 2022. But the voices of doubt from users also followed. The obvious advantage of bilibili initially is that watching videos is AD-free. Although AD has not become a must-see before videos, almost every video has an AD link below it. The harmonious creative atmosphere of bilibili is based on the secondary creation of popular works. Therefore, bilibili’s emphasis on copyright and paid videos function is completely untenable from the user’s point of view.

This is also a problem many other new media video platform have to confront. Even Tencent Video, operated by a giant, Tencent, has been inserting oral advertisements to popular episodes in various ways and releasing value-added services as many as possible. With the expansion of the platform and the increase in investment, the platform must accelerate commercialization for profit. So how to face up to the process of commercialization as well as its relationship with users has become a key issue.

The second problem is how to maintain the popularity of the platform. bilibili was the creator of hits in the past, but now TikTok has become its biggest competitor. TikTok has a wider, more mainstream, and deeper user base, and its hits spread much faster than bilibili, which is active by independent division. As the main platform for subculture activities, bilibili has tried to approach the mainstream in recent years. Still, as a result, it has caused dissatisfaction among subculture users and doubts about the purity of bilibili. Therefore, bilibili also faces the problem of how to protect the independent space for subcultures. The problems of mainstream platforms such as Tiktok and Tencent are opposite but equally important. They have occupied the mainstream cultural field, but the vertical subdivision is not enough, so the long tail effect cannot play a role. They are also at risk of being replaced by well-established platforms in the future. Balancing the relationship between mainstream culture and subdivision has become a core issue in the era of fickle consumers.

The third issue is integration with new technologies. Currently, most of the integration of bilibili with new technologies remains at the formal level and does not involve the content itself. The same problem occurs with Tencent and overseas new media video platforms such as Netflix and HBO. The complete implementation of AI and the widespread application of big data have not been fully used

on new media video platforms. How to make advanced technology important support for the platform’s leadership is a new question that all enterprises are thinking about.

### 3.2. Results Of The Questionnaire Survey

**Table 1.** The results of the question “your gender?”

Options	Total	Proportion
Female	261	49.71%
Male	264	50.29%
The number of valid fillers in this question	525	

**Table 2.** The results of the question “your age?”

Options	Total	Proportion
0-18	248	47.24%
18-26	180	34.29%
26-55	60	11.43%
More than 55	37	7.05%
The number of valid fillers in this question	525	

**Table 3.** The results of the question “your occupation?”

Options	Total	Proportion
Student	368	70.1%
Be on the job	120	22.86%
Retired people	37	7.05%
The number of valid fillers in this question	525	

**Table 4.** The results of the question “What is your most active new media video platform?”

Options	Total	Proportion
bilibili	158	30.1%
Tiktok	213	40.57%
Kuaishou	157	29.9%
Wechat Channel	155	29.52%
Weibo Channel	54	10.29%
Netflix/HBO/hulu	124	23.62%
Youku/Tecent/iQIYI/Mango TV	105	20%
Others	0	0%
The number of valid fillers in this question	525	

**Table 5.** The results of the question “What is the biggest advantage of your favorite new media video platform?”

Options	Total	Proportion
Various resources	349	66.48%
Real-time interaction	298	56.76%
Long-term fixed attention on some creators or some series	260	49.52%
Accurate recommendation by big data	231	44%
Great subdivision	174	33.14%
Not limited by time and place	199	37.9%
Others	0	0%
The number of valid fillers in this question	525	

This questionnaire was produced on the So Jump website. It was published and disseminated on social platforms, including bilibili, WeChat, QQ, Weibo, and the mutual filling community. The questionnaire finally collected 525 valid responses. According to the identity survey of the first three

questions, it can be known that the proportion of males and females in the survey is the same. And students under the age of 26 are the main subjects during the questionnaire.

**Table 6.** The results of the question “What is your favourite way to interact on new media video platforms?”

Options	Total	Proportion
Follow/subscription	150	28.57%
Comments and remarks	159	30.29%
Real-time bullet screen	274	52.19%
Choose your storyline (like an interactive video on bilibili)	344	65.52%
Value-added services	105	20%
Others	0	0%
The number of valid fillers in this question	525	

According to the results of the relevant questions, it can be analyzed that the most active new media video platform is TikTok. The options like bilibili, Kuaishou, WeChat Channel, Tencent, Netflix, and other platforms are the same. This reflects the high popularity of short videos today, which is in line with the user orientation of the fast-moving era. Only providing long video services often can't consume users' attention. New media platforms that mainly focus on long videos must promptly adjust their policies.

More people believe that the biggest advantage of new media video platforms is various resources and real-time interaction. Among the preferred choices of platform interaction forms, more people like the interactive video type of bilibili, which confirms Hansen's statement above. Users enjoy the feeling that most of the content is determined by themselves, that is, “being present” on a “being online” basis. This is a feature that all new media video platforms need to maintain and enhance. How to increase the number of resource production and further improve the real-time interactive experience of users to achieve better “being present” are urgent problems.

**Table 7.** The results of the question “Are you looking forward to the deep integration of new concepts such as the Metaverse and new media video platforms in the future?”

Options	Total	Proportion
Yes	525	100%
No	0	0%
The number of valid fillers in this question	525	

**Table 8.** The results of the question “What is your greatest expectation for the application of AI on new media video platforms in the future?”

Options	Total	Proportion
Accurate recommendation by big data	178	33.9%
You can search for related videos by scanning screenshots and excerpts	157	29.9%
Popularity of virtual artists	190	36.19%
Others	0	0%
The number of valid fillers in this question	525	

**Table 9.** The results of the question “Content or Distribution?”

Options	Total	Proportion
Content	525	100%
Distribution	0	0%
The number of valid fillers in this question	525	

**Table 10.** The results of the question “Do you accept additional charges on new media video platforms?”

Options	Total	Proportion
Yea	38	7.24%
No	125	23.81%
Depending on the content	362	68.95%
The number of valid fillers in this question	525	

All subjects are looking forward to the deep integration of new media video platforms and new concepts such as the Metaverse in the future. At the same time, they also look forward to the in-depth application of AI and hope that virtual artists will be further popularized, and big data can accurately conduct relevant searching and recommendation. The results prove the feasibility of the new media video platform continuing to integrate new technologies.

Only a small number of participants do not accept additional charges from new media video platforms. More people think the need depends on the specific content. The result proves that new media video platforms have an opportunity to commercialize through content that attracts audiences.

All people prefer content rather than distribution. In this era of diverse forms, the concept of “content is king” will be more emphasized. How to produce content that keeps up with the popularity while maintaining high quality has become the focus of attention.



**Figure 1.** Characteristics of Generation Z

Finally, the questionnaire asks users who select “students under 26” in the identity survey: what characteristics do they think Generation Z have, or what labels can they use to describe Generation Z.

As the keyword cloud of the result, the labels are the courage to try new things, decentralization, refinement, rapid iteration of consumer behavior, calm, maturity, stability, treating Gen Z as an equal, and treating them with respect. Those data could be a help when the enterprises produce their content.

#### 4. Discussion

Based on the case study and questionnaire results, the paper suggests that new media video platforms like bilibili should not rush into thorough commercialization. The platform should strive to apply cross-discipline to expand the industrial chain horizontally. At the same time, deeply integrating with technology to vertically highlight the sub-categories can be another direction. Specific strategies include “content first, distribution later”, interdisciplinary application satisfies spiritual consumption, speed up artificial intelligence.

##### 4.1. “Content First, Distribution Later”

Questionnaire results show that most people think content’s importance is more than distribution. The commercialization experience of bilibili also proves that when companies pay more attention to distribution than to content creation, customer groups will spontaneously form negative voices. This

is very detrimental to attracting new users. Meanwhile, the questionnaire also expresses that the extra charge is not completely unacceptable but depends on the quality of the content. For example, Tencent Video's S+ drama "A Dream of Splendor" has won wide applications about extra charges from audiences for its high quality.

The Investment Strategy of the Media and Internet Industry Report reports that digital cinema expands the territory of the film industry. Mobile carrier shows their unique advantages [11]. Hua Xi emphasizes that the new quantity is stable and the market potential is huge so the digital cinema line may become a new profit growth point. Hence, as new media video platforms, the most important strategy is to establish a good regulatory system to maintain the quality of film and television content displayed. The questionnaire shows that people think the biggest advantage of new media video platforms is various resources, so they must cherish their main features. First, they should ensure the quality of copyrighted products they purchased, like bilibili bought the classic TV drama "Friends" before. Moreover, non-mainstream platforms like bilibili have already put effort into self-made online series and various programs. They can try to make their digital movies. Don't forget to make sure the self-made products are Hi-Q, which relates to their reputation. For instance, bilibili was praised by audiences because of novel subject of its drama "Lady Tough" yet criticized due to its terrible movie "Go away, Monster!". This proves the saying "content is king".

#### **4.2. Interdisciplinary Application Satisfies Spiritual Consumption**

The questionnaire analyzes the main characteristics of "Generation Z", the main users of new media video platforms. According to the results, it can be seen that Generation Z has a high understanding ability. They value the independent space when they consume. Yet they also desire to obtain more novel knowledge to meet their fickle product consumption. Thus, stepping out of the comfort zone and then dedicating to bringing new products using interdisciplinary is the best way to satisfy the spiritual consumption of users.

For instance, combining new media video platforms and the eSports boom is useful. Hua Xi's report shows that the eSports industry's popularity is rising again [11]. Due to the potential prospect, the paper highly recommends video platforms to discover the eSports market, especially the overseas market. They could acquire an overseas gaming company as Tencent acquired Riot Games years ago. They can build their own eSports game or eSports clubs as well. On the other hand, instead of producing all alone, they can choose to integrate their featured products with eSports, like eSports-themed online variety shows. However, platforms should monitor the system reasonably to abide by the prevent addiction policy. Because the authority always has the power to shut down any project.

Another example is services for visual artists. The report says that the rise of virtual artists became a great way to draw attention to social media. Virtual artists are favored by talent shows with low risk and differentiation. Thus, the suggestion is that platforms can vigorously bring in visual artists. Like bilibili, it can also discover more means to use virtual artists, providing Vup service and others such as creating own programs with self-designed virtual artists.

Platforms can also create categories to divide long videos and short videos. Thinking from the users' side will help platforms get closer to mainstream customers and ensure communities with different interests have independent communication space to give users enough respect.

#### **4.3. Speed Up Artificial Intelligence**

The report introduces several technologies that have made breakthroughs in recent years and have changed our life. Including 5G, VR/AR technology, and cloud computing technology [11]. They help with content creation and precise distribution. The data points out that the first stage solves the digital problem and the second stage is allocation and connection efficiency when it comes to landing AI techniques.

The questionnaire also shows that people are looking forward to the widespread application of artificial intelligence. People prefer the form of interactive videos and visual artists relying on AI, which is why platforms need to pay attention to AI. In addition, people are also very curious about

the development of the Metaverse. Although the current investment return of the Metaverse industry is not as good as expected, as a brand-new technology product, it is worth a shot.

Platforms should pay attention to the research progress of advanced technology and consider how to use AI wisely; speeding up the digitization of content can be the first step.

## 5. Conclusion

The paper first uses the method of the case study. By analyzing the pros and cons of bilibili, the problems in the current new media video platforms are mentioned, including commercialization, maintaining popularity, and integration with new technologies. Secondly, the paper uses the method of questionnaire survey. The results mainly reflect Generation Z's views on the current popular concepts about new media video platforms such as Metaverse, premium services, content production, etc. After that, the paper analyzes the phenomenon of the media Internet industry reflected in a report by Hua Xi. Finally, the paper summarizes three future strategies to solve the existing problems on new media video platforms: "Content first, distribution later", Instructor application satisfied spiritual consumption, and Speed up artificial intelligence.

This paper first takes a specific enterprise as a case, then provides valuable suggestions for enterprises in the new media video industry to execute future strategies based on data from the industry report and the questionnaire. This paper systematically analyzes all aspects of problems that video platforms may encounter in the new era of technological development and media convergence. The paper gives very specific solutions. The author tells each new media video platform how to maintain advantages and improve competitiveness from various angles simultaneously.

But there are still a few weaknesses in the paper. The first one is data reliability. Although the paper has a questionnaire as the primary data, responders are limited to the author's social circle, mainly Chinese students. So the result does not have a broader representation. Secondly, as a Chinese enterprise, bilibili cannot comprehensively summarize all the existing problems of western new media video platforms. At last, the industry report generally analyzes the trend of the Chinese media and Internet industry, which may be different from that of the world. Therefore, the author can conduct a case study on future Western enterprises such as Twitter. The author can do a questionnaire again to collect data worldwide. The paper can also choose worldwide media Internet industry reports as a new reference. The above measures will better dawn on the paper that it discusses the conducive strategies worldwide. Furthermore, the paper can analyze more situations under different circumstances. Finally, the author will be capable to give more comprehensive suggestions for new media video platforms rest with view of globalization.

## References

- [1] W H Tang, S H Tang, Z H Liu, et Al., Annual Report on China's Mobile Internet Development (2022), Social Science Academic Press (China), pp.2-24.
- [2] L Manovich, The Language of New Media, MIT Press, 2002, pp.52-55.
- [3] D L Hansen, B Shneiderman, M A Smith, et al., Social media: New technologies of collaboration, Analyzing Social Media Networks with NodeXL 2nd Edition, Morgan Kaufmann Publishers, 2020, pp.11-29.
- [4] J V Pavlik, S McIntosh, Converging Media A New Introduction to Mass Communication Canadian Edition, Oxford University Press, 2014, pp.63-161.
- [5] M Hirst, J Harrison, P Mazepa, Communication and New Media: From broadcast to narrowcast, Oxford University Press Canada, 2014, pp.20-24.
- [6] E Siapera, Understanding New Media 2nd Edition, SAGE Publications, 2018, pp.60-110.
- [7] K M Eisenhardt, 2. Building Theories from Case Study Research, Academy of Management Review, 1989, vol.14, no.4, pp.532-550. DOI: <https://doi.org/10.5465/amr.1989.4308385>.

- [8] Y Zhu, The method of questionnaire survey, *The Monthly Journal of High School Mathematics*, 2013, vol.36, no.10, pp.1-5.
- [9] Y Luo, the embodiment of “Use and Satisfaction” theory in bullet screen video, Taking Bilibili as an example, *Art and Literature for the Masses*, 2016, vol.15, no.2, pp.170-171.
- [10] Z Zhou, *Network Youth Subculture from The Perspective of Communication*, Xi Nan University, 2015.
- [11] Hua Xi Securities, *Report on the Investment Strategy of the Media and Internet Industry in 2022*, Hua Xi Securities, 2022.